



Daily Report

China

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9 May 1990

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General

Envoy Urges Halt to Arms Race at UN Session

OW0905005290 Beijing XINHUA in English
2345 GMT 8 May 90

[Text] United Nations, May 8 (XINHUA)—Chinese Ambassador Hou Zhitong reiterated today that the superpowers, which possess the largest arsenals, have a special responsibility for halting the arms race and realizing disarmament.

Speaking this morning at the 1990 session of the UN Disarmament Commission, which opened yesterday, the ambassador said the superpowers should not only substantially reduce their armaments, but also stop their qualitative arms race.

"What must be noted," he pointed out, "is that both parties have admitted recently that the target for their strategic nuclear weapons reduction has been curtailed from the original 50 percent to the present 30 percent."

"Even if they have indeed cut such weapons by half, they still own more than 90 percent of the total nuclear weapons in the world, enough to destroy mankind many times," he added.

He said the superpowers, in their negotiations up to now, have kept evading the issue of a qualitative arms race.

"While constantly upgrading their conventional armaments, they are now replenishing their already huge nuclear arsenals with a new generation of nuclear weapons of improved accuracy, penetration and mobility," which "poses a serious threat to world peace and security."

On the issues of preventing nuclear proliferation and the prohibition of nuclear test, he reiterated that "China does not advocate, encourage or engage in nuclear proliferation."

He told the commission that the Chinese Government has decided to give favorable consideration to attending, as an observer, the fourth review conference of the parties to the treaty of non-proliferation of nuclear weapons.

He reaffirmed that China is opposed to the practice of going all out for the nuclear arms race while refusing to unconditionally provide security assurance to non-nuclear-weapon states on the one hand, and imposing unreasonable restrictions on international cooperation for peaceful uses of nuclear energy in the name of preventing nuclear proliferation on the other.

As to naval armaments and disarmament, he pointed out that while negotiating to reduce nuclear and conventional armaments, the world's leading naval powers have continued their naval arms race and their rivalry in the oceans. The "gunboat policy" remains a threat to many countries.

"Naval disarmament forms an important integral part of the nuclear and conventional disarmament and should be addressed without delay," the ambassador emphasized.

He said that "since disarmament and security are issues having a direct bearing on the vital interest of all countries, all of them, big or small, strong or weak, have an equal right and are invariably entitled to participate in the discussion and settlement of these issues."

He said in conclusion that bilateral disarmament efforts and those involving a small number of countries are welcome, but they should not be used to belittle, reject or replace the global multilateral efforts.

Independent Loan Decisions by World Bank Urged

OW0905062990 Beijing XINHUA in English
0118 GMT 9 May 90

[Text] Washington, May 8 (XINHUA)—A senior Chinese official today urged the World Bank to make independent decision when considering loans to its member countries.

"We are against certain countries' erroneous action of obstructing the independent decision-making of the World Bank, and hope that the World Bank will be able to overcome external interferences and make more effective contributions to the economic development," said Liu Zhongli, Chinese vice minister of finance.

Liu made the remarks at the spring meeting of the Development Committee of the World Bank-International Monetary Fund (IMF), which was held here today.

He noted that for nearly one year, the World Bank, an independent multilateral development institution whose decisions are supposed to be solely based on economic considerations, has come across serious interferences in carrying out its operation activities.

"Like most member countries, China cannot but express its grave concern" over the development, he said.

He called on all member countries of the bank to fulfill their international obligations to prevent the bank from being politicized.

Referring to the role and development of the private sector, he said that it is impossible to have a universally applicable model for the private sector, given countries' differences in existing circumstances, economic systems, and stages of their development.

"We believe that the development policies and measures for the private sector should be adopted in light of as well as in keeping with the specific circumstances of the country concerned."

He urged the international community, particularly the developed countries, to make renewed efforts to assist African countries in their long-term development by creating a favorable external economic environment, providing more concessional funds, continuing the special program of assistance to Africa, and stabilizing commodity prices and opening up their markets to exports of the African countries.

He said that China is consistently of the view that a fundamental solution to the debt problem lies in the steady economic development of the debtor countries.

"Any approach, be it the new debtor reduction proposal or any other debt strategies, must all take into consideration its possible impact on the economic development and social stability of the countries concerned," he said.

He said that the developed countries, given their importance in and influence on the present world economy, should make efforts in creating an environment that is conducive to the economic growth and debt relief of the debtor countries.

Technical, Business Meeting Opens in Beijing

OW0805125790 Beijing XINHUA in English
1119 GMT 8 May 90

[Text] Beijing, May 8 (XINHUA)—The third Beijing international conference on technological innovation and business development opened in Beijing today.

About 60 experts from over 20 countries and areas throughout the world joined forces with Chinese experts to discuss "technological innovation and the entrepreneurial spirit".

Herbert Behrstock, deputy resident representative of the United Nations Development Program, made a speech at today's opening ceremony.

Zhou Ping, vice-minister of the State Science and Technology Commission, said in his opening speech that a decade ago the United Nations introduced action programs promoting the concept of "science and technology promotes development".

He said China's Government regards it as its historical duty to promote the development of science and technology.

During the four-day conference, he said, Chinese and foreign representatives will focus their discussions on opportunities for technological innovation, technological innovation management, the development of the entrepreneurial spirit and environmental policies.

According to an official from the organizing committee of the conference, the committee has received about 50 theses.

Sponsored by the United Nations Fund for Science and Technology Development (UNFSTD) and the State Science and Technology Commission, the conference will provide a workshop for Chinese experts to explain China's situation and air their viewpoints in the context of the conference's topic.

International Antarctic Exploration Team Welcomed

OW0805212790 Beijing XINHUA in English
1445 GMT 8 May 90

[Text] Beijing, May 8 (XINHUA)—The six explorers who recently concluded a trans-Antarctic expedition arrived in Beijing this evening to start a four-day visit.

Soon after they stepped down from their plane Young Pioneers presented them with bunches of flowers and welcomed them in English. Officials from the National Antarctic Research Committee and the Beijing Municipality, and the science attache of the U.S. Embassy in China also went to the airport to greet the team.

The six explorers, who are touring their home countries, are Gin Dahe of China, Jean Louis Etienne of France, Will Steger of the United States, Victor Boyarskiy of the Soviet Union, Geoff Somers of Great Britain and Keizo Funatsu of Japan.

Wu Heng, director of the China National Antarctic Research Committee, said at the airport reception that the six explorers had made a great contribution to the peaceful utilization of the Antarctic. He told them: "You have won admiration from people all over the world."

The five foreign explorers said they appreciated the support and encouragement of the Chinese people and the warm reception accorded them by Beijing residents. Victor Boyarskiy said: "It seems as if it is very hot in Beijing today, but the reception is warmer than the weather."

With the team were also the backup members who made outstanding contributions to the expedition in telecommunications and other work, and the explorers' family members.

The team will leave Beijing for Lanzhou Saturday. Then they will leave for the Soviet Union to continue their tour.

United States & Canada

Editorial Views Harm of Rescinding MFN Status

HK0805152190 Hong Kong CHING CHI TAO PAO
in Chinese 7 May 90 p 2

[Editorial: "Rescinding China's Most-Favored Nation Status Harms All Parties"]

[Text] U.S. renewal of China's most-favored nation [MFN] status has been widely talked about in the United States, China, and Hong Kong these days.

Some U.S. congressmen are planning to put forward a motion to rescind MFN treatment for China during the routine annual review in Congress next month. This issue has of course drawn the attention of all the parties concerned.

What are the grounds for rescinding China's most-favored-nation status?

One of the arguments is that China is enjoying a huge favorable balance in its trade with the United States. As far as this is concerned, due to the different statistical methods and different formulae for price calculation used by China and the United States, the two sides have long been stuck with their own complaints, each claiming to be the victim of trade deficits. The difference in calculating may have to be further clarified. Anyway, it is evident that this dispute on favorable or unfavorable balance of trade between China and the United States cannot possibly be cited as a reason for rescinding the most-favored-nation status which has been enjoyed by China for the past 10 years.

As the saying goes: Though one professes to be a drinker, he is really not interested in wine. The other argument, that some Americans are discontented with China over the human rights issue, is in fact the most important reason supporting the motion. The most prominent aspect in this regard in the eyes of these people, is the 4 June Incident last year. It is true that there are various interpretations and appraisals of the 4 June Incident in China and abroad. But almost a year has passed since this incident. Should one still stick to this historical event and use it as a pretext for economic sanctions against China? The use of this argument once again indicates that some people in the United States and abroad have failed to appropriately evaluate the changes in the political and economic situation in China over the past year. During this period, the political situation in China has tended to become increasingly stable; martial law has been lifted in Beijing; and the Chinese have reiterated that their reform and opening up policy will remain unchanged, while doing their best to restore stability and concentrate on economic construction. The development over the past year also shows that economic sanctions are futile as a tactic to compel China to submit. In fact, there have always been differences of opinion abroad on the imposition of economic sanctions against China. Many people who used to support the sanctions against China have changed their minds. Why then, are some American politicians still ignoring reality and insisting on their irrational position?

By the way, the serious consequences of rescinding MFN status for China are very obvious. Politically, this act will lead to a tremendous retrogression in Sino-U.S. relations and harm the bilateral relations that the two countries have worked so hard to improve and develop over the past many years. Economically, it will bring about destructive consequences that will harm China, the United States, and also Hong Kong.

China and the United States decided to grant each other MFN status 10 years ago and this has helped greatly boost economic relations and trade between the two countries. Now, if the United States rescinds China's MFN status, Chinese exports to the United States will be subject to extra customs duties and this would of course inflict losses on China and substantially decrease the competitive power of Chinese commodities. But would the United States be immune to harm? Would the

increase in customs duties and the prices of commodities imported from China, such as garments, toys, and footwear, not mean more expense on the part of U.S. consumers? Also, since this is a mutually beneficial trade system, would U.S. exports to China not be subject to higher customs duties as a result of any retaliatory measures taken by China?

U.S. exports to China are mostly goods that are in constant demand, such as grain and energy, telecommunications, and transportation equipment. Would abandonment of the promising Chinese market not be a great loss to the United States? Would the harm to Sino-U.S. relations and the decline in Sino-U.S. trade not have a negative influence on U.S. investment interests in China?

What merits attention is that rescinding China's MFN status not only involves China and the United States but will also have a direct or indirect impact on Hong Kong. For instance, since foreign trade, especially entrepot trade, has always been Hong Kong's economic mainstay and a considerable portion of Chinese exports to the United States and U.S. exports to China have been shipped through Hong Kong, the impact of rescinding MFN status on the bilateral trade between China and the United States will be reflected in Hong Kong's entrepot trade. Both the decline in the volume of entrepot trade, and the decrease in the competitive power of commodities, may harm Hong Kong's entrepot trade. Companies dealing in Sino-U.S. trade on a large scale will, of course, be affected. Manufacturers running processing industries in China will also be affected because their products are basically exported as Chinese goods through Hong Kong, to the United States and other countries. In fact, the financial, insurance, transport, storehouse, and other sectors will also be harmed. Furthermore, as both China and the United States are Hong Kong's major trade partners, the economic conditions in China and the United States, and the economic, trade, and investment relations between the two countries, will all have direct or indirect influence on the economic stability and prosperity of Hong Kong. That is why the local political and business circles have shown concern over this issue. Many Hong Kong industrial and commercial organizations are also planning to send representatives to attend the hearing to be held in the U.S. Congress in mid-May and to lobby Congress prior to the session scheduled for 3 June.

Because rescinding China's MFN status will harm all parties, is it worthwhile for the United States to take this action? To be sure, there are always a small number of people who insist on rescinding MFN status and attach no importance to friendly relations between China and the United States. But we believe that people of insight who have the cardinal principles in mind, take the overall situation into account, know what is right and what is wrong, and care about gains and losses, will behave cautiously and make the correct decision. After all, the efforts to safeguard and develop relations between China and the United States in all fields are the main trend of history which is in the interests of China, the United States, and the world.

U.S. Economic, Trade Study Group Visits Beijing**Meets Li Peng**

*OW0805212690 Beijing XINHUA in English
1459 GMT 8 May 90*

[Text] Beijing, May 8 (XINHUA)—Chinese Premier Li Peng met with an economic and trade study group from the U.S. Council for International Cooperation here today.

The group is led by Anna C. Chennault, with Irving Kaufman and Chu Ai Ti as deputy leaders. Many members of the group are entrepreneurs from Taiwan.

Li extended a sincere welcome to the group, which is here both to visit China and to study the investment climate at the invitation of the Chinese People's Institute of Foreign Affairs.

Li said: "Although we live under different social systems, as far as most friends present are concerned, we are all Chinese and all hope China will become prosperous."

He said that despite some twists and turns, as well as mistakes, the People's Republic of China has achieved great progress since its founding 40 years ago. The problem of food and clothing for the 1.1 billion people has basically been solved and a comparatively complete industrial system has been established.

He said China's goal is to concentrate its efforts on the modernization drive. To achieve this objective, a peaceful international environment and stable domestic situation are necessary. He said that China will stick to the policies of reform and opening to the outside world, and attaches importance to learning and drawing lessons from all the advanced things of other countries. "This is to increase our capacity for self-reliance," he said.

On investment policies, the premier said: "China's investment climate has been improving continuously. The political situation on China's mainland is stable, and we have worked out a series of foreign-related economic laws and regulations so that the interests of the investors have legal guarantees." The quality of the labor force in China is relatively good and labor costs are relatively low, he added.

He said that in recent years China has set great store by the construction of infrastructure, and that the energy and telecommunications conditions in coastal areas in particular have been greatly improved. He said China welcomes investment from outside.

The premier described the establishment of direct links in postal service, air and shipping services, and trade between Taiwan and the mainland as the trend of the times.

Chennault told Li Peng that the study group had had contacts with many departments here since its arrival. She expressed their willingness to make continued efforts to promote economic cooperation.

Meets Jiang Zemin

*OW0905084690 Beijing XINHUA in English
0812 GMT 9 May 90*

[Text] Beijing, May 9 (XINHUA)—Jiang Zemin, general secretary of the Chinese Communist Party Central Committee, met and had a cordial conversation with an economic and trade study group from the U.S. Council for International Co-operation here today.

The group is led by Anna C. Chennault, with Irving Kaufman and Chu Ai Ti as deputy leaders. Many members of the group are entrepreneurs from Taiwan.

Soviet Union**Articles View Li Peng's Moscow Visit****JIEFANGJUN BAO**

*HK0905083890 Beijing JIEFANGJUN BAO in Chinese
28 Apr 90 p 4*

[Article by Chen Xiong (7115 7160): "Establish Closer Good-Neighborly and Friendly Relations, Open Up New Vistas for Economic and Trade Cooperation"]

[Text] In the flowering season of spring, State Council Premier Li Peng paid an official visit to the Soviet Union from 23 to 26 April. This was the first visit by a Chinese premier to the Soviet Union since Premier Zhao's visit in 1964. The visit, which attracted worldwide attention, was successful and added a new chapter to the further development of Sino-Soviet relations.

China and the Soviet Union are two neighboring countries linked together by common mountains and rivers. The two countries share a 7,000-km border and the two peoples cherish time-honored traditional friendship. The development of Sino-Soviet relations has undergone twists and turns. Last May, Soviet leader Gorbachev visited China and the leaders of the two countries held their historic talks. The two sides then issued the "Sino-Soviet Joint Communiqué" which indicated the normalization of relations between the two countries and the beginning of a new process of "bringing the past to an end and opening up the future." During the past year, relations between the two countries in the political, economic, technological, cultural, and educational fields have made marked progress and friendship between the two peoples has been increased. Premier Li Peng's visit gave impetus to this process and pushed Sino-Soviet relations to advance further ahead. During his visit, Premier Li Peng was warmly welcomed and received. In both Moscow and Leningrad, the Soviet people expressed their sincere friendly feelings toward China's friendship envoy and toward the Chinese people in various forms. They expressed their desire to consolidate and strengthen good-neighborly and friendly relations between the two countries. Soviet newspapers, radios, and television channels published and broadcast a large quantity of reports and commentaries, highly valuing the

Chinese premier's visit to the Soviet Union. Public opinion pointed out that Premier Li Peng's visit was a "new milestone in the course of the development" of relations between the two countries, was "of great immediate significance," and that the visit would produce "positive influence" and play a "positive role" in international affairs.

The new relationship established and developed by China and the Soviet Union on the basis of the five principles for peaceful coexistence is not only in the fundamental interests of the two peoples, but is also in keeping with peace and development in Asia and in the whole world. During his visit, Premier Li Peng held talks and meetings with President Gorbachev, Prime Minister Ryzhkov, and other Soviet leaders in a friendly [you hao 0645 1170], frank [tan shuai 0982 3764], and pragmatic [qiu shi 3061 1395] atmosphere. They widely exchanged opinions on bilateral relations and major international affairs of common interest. Both sides stressed the need to ensure the healthier and more stable development of Sino-Soviet relations under the guidance of the five principles for peaceful coexistence and the "Sino-Soviet Joint Communiqué." Both sides also reiterated that they would continue to hold talks on the border issue and would fairly and reasonably settle the problems left over from history. Both sides agreed to increase the friendly contacts between their military leaders to increase mutual understanding.

Further increasing economic cooperation and expanding the scale of trade holds an important position in the development of Sino-Soviet relations. In recent years, the two governments have done a great deal of work to promote economic and trade cooperation and have successively concluded many agreements on: Economic and technical cooperation; scientific and technological cooperation; the principles for long-term trade relations; and on running joint ventures. They have also concluded many construction and labor service contracts. As a result, Sino-Soviet economic and trade cooperation has rapidly developed in the three levels, namely, between the central governments, localities, and border towns. In the period between 1981 and 1988, the total volume of trade between China and the Soviet Union was more than twice that during the 1970's. In 1988, trade volume was about \$2.5 billion and this increased to over \$3 billion in 1989. Since the two countries restored border trade in 1983, this has been increasing more rapidly. The volume of border trade in 1987 was 7.2 times that in 1983. Last year, the total volume of local and border trade reached about \$540 million. This year, bilateral trade will further increase. The Soviet Union has become China's fifth largest trade partner.

Of course, there remains a substantial gap between the current level of economic and trade relations and the potential. In the talks with Prime Minister Ryzhkov, Premier Li Peng stressed that China and the Soviet Union each has its own strong points in its economy, so they can rather effectively complement each other. The two sides can help each other and satisfy each other's

needs in many fields. The two countries signed six important agreements, including the "Program for the Long-Term Development of Economic, Scientific, and Technological Cooperation Between China and the Soviet Union." The signing of these documents expanded the legal foundation for Sino-Soviet relations and will create broader prospects for cooperation between the two countries in various fields.

At present, under the leadership of the CPC, the Chinese people are firmly advancing along the socialist course. They are concentrating on economic construction, continuously deepening reform, expanding the scale of opening up to the outside world, consolidating and developing the stable and united political situation, and striving for the motherland's prosperity. The Chinese people cherish sincere feelings toward the Soviet people and believe that the Soviet people, with their glorious revolutionary tradition, will certainly overcome their difficulties and build their country more effectively. It is expected that the successful visit made by Premier Li Peng to the Soviet Union will further strengthen the good-neighborly and friendly relations between the two countries.

LIAOWANG OVERSEAS EDITION

HK0905062290 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 19, 7 May 90, pp 3, 4

[Article by Sheng Shiliang (4141 0013 5328): "Open Up a New Horizon, Promote Friendship—on Premier Li's Visit to the Soviet Union"]

[Text] In April, a month of spring, the weather in Moscow was sunny after a spatter of fine drizzle. Premier Li Peng arrived in the Soviet capital in a good season and began his official visit to the Soviet Union. This was the first visit by a Chinese premier to the Soviet Union in the past one-quarter of a century, after Premier Zhou Enlai's visit in October 1964.

Since China and the Soviet Union held their top-level talks last May, relations between the two countries have been developing healthily and steadily. The exchange of visits in various fields has increased in number and has risen to higher levels. In particular, economic and trade relations have been developing rapidly, and the value of goods exchanged by the two sides increased from \$2.5 billion in 1988 to more than \$3 billion in 1989. If local trade and border trade are included, the total volume of bilateral trade exceeded \$3.5 billion. The number of students being sent to study on the other side increased from 20 in 1983 to more than 1,200 at present.

Premier Li Peng's official visit from 23 to 26 April included an intensive itinerary, and the visit was pragmatic [wu shi 0523 1395] and fruitful [fu you cheng guo 1381 2589 2052 2654].

On 24 April, Soviet President Gorbachev met cordially and friendly [qin qie you hao 6024 0434 0645 1170] with Premier Li Peng, and the two sides deeply exchanged opinions on the issue of developing cooperation in

various fields, and agreed to increase personnel contacts in all fields between the two countries, including the contacts of military leaders. The Soviet president stressed: "We attach great importance to your current visit. The Soviet people have a strong desire to carry out friendly cooperation with the Chinese people."

On 23 and 24 April, the prime ministers of the two countries held two rounds of talks in a friendly and pragmatic [you hao qiu shi 0645 1170 3061 1395] atmosphere, and discussed the issue of developing bilateral relations. Premier Li Peng said: The purpose of his current trip is to more concretely arrange cooperation in all fields. China and the Soviet Union have different strong points in their economies and can complement each other in an effective way. They can develop economic cooperation through carrying out labor service cooperation, purchasing each other's patents, running joint ventures, and adopting other cooperation forms. Prime Minister Ryzhkov proposed that cooperation be strengthened in the fields of energy production, metallurgical industry, aeronautics and astronautics, agriculture, and the production of consumer goods.

On 25 April, Lukyanov, President of the USSR Supreme Soviet, met with Premier Li Peng, and expressed the desire of the USSR Supreme Soviet to expand friendly exchanges with China's National People's Congress Standing Committee.

The six governmental agreements signed by the prime ministers and foreign ministers of the two countries added more concrete details to the new-type state-to-state relations established between China and the Soviet on the basis of the five principles for peaceful coexistence. Such relations are different from both their confrontation relations in the 1960's and the allied relations in the 1950's.

The "Sino-Soviet Program for Developing Long-Term Economic, Scientific, and Technological Cooperation" specifies the way and scope of developing cooperation between the two countries by the end of this century for the purpose of promoting the enhancement of the level of two people's material and cultural lives. The "Cooperation Agreement on the Peaceful Utilization and Research of the Outer Space" extended the two countries' cooperation to the scope of astronautics technology. The "Agreement on Reciprocal Reduction of Military Forces in the Areas along the Sino-Soviet Boundary Line and on the Guiding Principles for Strengthening Mutual Trust in the Military Field" stipulate that on the principle of ensuring the same degree of security, the Chinese and Soviet sides will reduce their own military forces deployed along their border to the lowest level commensurate to the two countries' normal and good-neighborly relations. The "Consultation Agreement" concluded by the ministries of foreign affairs of the two countries specifies that the two countries' foreign ministries and diplomatic representatives to international organizations will consult each other about issues concerning bilateral relations and about international affairs of common interest.

According to the "Agreement on China's Provision of Governmental Loans to the Soviet Union for the Purchase of Daily-Use Consumer Goods," China will supply the Soviet Union with such goods as thermos flasks, feather-padded clothes, sweaters, cassette tapes, and radio-recorders, which are all consumer goods in short supply on the Soviet markets. The "Memorandum on Cooperation in Building Nuclear Power Plants in China and the Soviet Union's Provision of Government Loans to China" specifies that the Soviet Union will supply the equipment for the construction of two nuclear power plants in China, each with a generating capacity of 1 million kilowatts. After the power plants are built, they will play a major role in mitigating the shortage of electric power in our country.

The signing of these six documents proved from one aspect that the visit was successful. This was also the general evaluation made by Premier Li Peng when meeting with more than 300 reporters from various countries in the Information Center of the Soviet Foreign Ministry in Moscow.

China and the Soviet Union are two neighboring countries linked by common mountains and rivers. The two peoples share time-honored friendship. On the evening of 24 April, in the "Home of the People's Friendship" in Moscow, Premier Li Peng met with some Soviet people who made contributions to China's revolution and construction, and to Sino-Soviet friendship in different periods.

Arhkipov, 83, was a responsible person of the Soviet expert group for assisting China's construction in the 1950's. He said excitedly that "a visit by a senior Chinese leader is my long-cherished desire."

Xilin [0007 2651], the general architect of the Wuhan Chang Jiang Bridge—the first bridge across Chang Jiang, told this reporter: "I worked in China for nine years from 1948 to 1957, and I almost cannot remember how many bridges I restored and built in China." He was glad to know that all these bridges now continue to make contributions to China.

General Bulageweishensiji [1580 2139 2047 4850 3947 2448 1015] remained in good spirits although in an advanced age. He commanded a Soviet air force brigade composed of 110 fighters to participate in the battle defending Wuhan in 1937-38, where they downed more than 200 enemy planes. He himself downed 17 enemy planes and won the title of Soviet Hero in 1938. He carefully took out a photo of his Chinese comrade-in-arms Luo Yingde that he had kept for nearly 40 years and said: "In 1951, General Luo Yingde and I jointly trained Chinese pilots. It is a pity that this general has passed away...." Then he pointed at a white-haired Soviet woman and said: "Her father (Kulishenke) was my comrade-in-arms and he died in an air battle over Wuhan."

Waningna [3907 1337 1226], editor-in-chief of the Chinese edition of the magazine SOVIET WOMEN, said proudly: "The Chinese edition of our magazine has not

been suspended over the past decades and has never published anything unfriendly to China."

Ameijisituofu [7093 2734 1323 2448 2094 1133], president of the Dynamics College, told the Chinese guests: "Our generation grew up amid the song of 'Moscow-Beijing' and the friendly feelings toward China have not disappeared in our generation."

The Chinese premier told these Soviet-Chinese friendship envoys in the "Home of Friendship": "The most important thing is to cultivate friendly feelings between the two peoples, and pass on the friendship cherished by the older generation to the younger generation."

In Moscow's Dynamics College, the fourth-year students began to study the Chinese language one year ago on a voluntary basis. They now study for six hours a week, and there are now two classes. The college hoped to exchange students with the Chinese counterparts.

Now, many universities and colleges in the Soviet Union offer Chinese courses, and there are more than 10 Chinese language schools. Premier Li Peng's wife, Zhu Lin, visited the 11th Chinese Language School in Moscow. The pupils of senior classes there can speak Chinese rather fluently. The pupils there have a strong interest in learning Chinese from their first year, and hope to study in China. They also want to invite Chinese children to study in the Soviet Union.

The Chinese premier said in the Soviet Union's "Home of Friendship" that "we hope the two peoples will maintain friendship generation after generation." This reflected the common wishes of the two peoples.

Cooperation Plan Signed With Academy of Sciences

OW0905065990 Beijing XINHUA in English
0558 GMT 9 May 90

[Text] Moscow, May 8 (XINHUA)—The 1991-1995 scientific co-operation plan between the two academies of sciences of China and the Soviet Union was settled here today.

Signed by academy presidents Zhou Guangzhao and Guriy Marchuk, the plan ensures co-operation in such fields as ecology, microelectronics, magnetic fluid-electric generation, organic matter oxidation, laser technology, plasma, geotectology, and plant physiology.

Members of the two delegations of the academies of sciences and the Chinese ambassador to the Soviet Union, Yu Hongliang, were present at the ceremony.

During their visit, members of the Chinese delegation will visit research units in Moscow and Leningrad, and meet their Soviet counterparts.

Since the signing of the previous agreement in 1986, the two academies of sciences have developed step by step to a period of practical co-operation in research instead of exchanges of visits by scientists and study groups.

Recent Trade Developments, Problems Reviewed

OW0805231590 Beijing in English to East and South Africa 1700 GMT 24 Apr 90

["Review" by Wang Ruiping of recent Sino-Soviet trade developments and problems; from the "Current Affairs" program]

[Text] In the past decade, the Soviet Union has become China's fifth largest trading partner. Sino-Soviet agreements in the fields of industry, science, and technology marked high points in the trade exchanges during this time. Trade adviser (Liu Baolong) works for the International Trade Studies Institute under the Ministry of Foreign Economic Relations and Trade. She says total trade volume between 1981 and 1988 reached 2.2 billion Swiss francs.

[(Liu) is heard briefly speaking in Mandarin, fading into English translation] She says trade exchanges are the highest in products of light and textile industries. China also exports food and other daily necessities to the Soviet Union. However, she says, these amount to only about five percent of the Soviets' total imports. This means there is great potential in the Soviet market, just waiting to be tapped. On the other hand, the Soviet Union exports its raw materials, mechanical, and advanced technological products to China, including aircraft equipment.

(Liu Baolong) says although some of the machines are not as modern as those from Western countries, some Chinese enterprises say they are more durable. However, progress in trade exchanges between the two countries slowed down last year, when the Soviet Government adopted a strict licensing policy for exporting its raw materials. The trade adviser says this is just one key area the two sides will have to deal with. Railway transportation is another.

[Begin (Liu) recording in Mandarin] Thus far, our trade and economic cooperation have developed rapidly. However, railways and other infrastructural installations.... [end recording, overtaken by announcer, in English] (Liu Baolong) says a modern railway line between the two countries has still not been established. The present railway system is old and can no longer serve the needs of rapid trade development.

Trade exchanges between China and the Soviet Union have mainly been carried on governmental levels. (Liu Baolong) says each year both sides sign agreements about what goods they'll exchange, and they pay their accounts in Swiss francs, or in goods like in barter trade.

[(Begin (Liu) recording in Mandarin] The foreign trading systems of the two countries have one thing in common—from the state monopoly of the past.... [end recording, overtaken by announcer, in English] (Liu Baolong) says leaders on both sides are expected to discuss ways to allow trade institutions to have more decisionmaking power. This will open up new channels, so that trade exchanges can be conducted on other levels. She says, in the old days, in the 1950's, governmental agreements for trade helped

bilateral relations. But now, this restricts trade developments to some degree. New ways need to be found to expand trade, and new payment methods, including cash payments, should be introduced. (Liu Baolong) hopes Premier Li Peng and Soviet leaders will discuss this issue and find a way to solve the problems so Sino-Soviet trade exchanges will continue to grow.

Xinjiang's Tomur Returns From USSR Visit

OW0205082090 Urumqi Xinjiang Television Network
in Mandarin 1300 GMT 1 May 90

[Video report by station reporter Ilihan Osman; from the "Xinjiang News" program]

[Text] [Video opens with a shot of Tomur Dawamat stepping down from the ramp of an airplane and being presented with a bouquet of flowers by a young pioneer, cutting to show him shaking hands with officials in both military and civilian clothes lining up by the plane] Tomur Dawamat, chairman of the Autonomous Regional People's Government, returned to Urumqi from Beijing last night, after accompanying Premier Li Peng on the formal visit to the Soviet Union.

He was greeted at the airport by the autonomous regional party, government, and military officials, as well as leaders of the Xinjiang Production and Construction Corps, including Song Hanliang, Tang Guangcai, Huang Baozhang, Guo Gang, (Liang Guoying), Tuerxun Atawula, Li Jiayu, Hederbai, Jin Yunhui, Meihemaiti Simayi, Simayi Maihesuti, officials of the autonomous regional foreign affairs office, and Urumqi City Mayor Yusufu Aisha.

Northeast Asia

Closer Ties With Mongolia Viewed

HK0905021490 Hong Kong SOUTH CHINA
MORNING POST in English 9 May 90 p 11

[By David Chen]

[Text] The Mongolian President, Mr Punsalmaagiyn Ochirbat, cut short his visit to Beijing to deal with domestic issues but this did not in any way diminish the importance of the trip, the first by a Mongolian chief of state in 28 years.

The significance of the trip was also underlined by the publication of a joint communique stressing friendship and co-operation between the two countries.

This was in contrast to an earlier visit to Moscow by the Chinese Prime Minister, Mr Li Peng, when no communique was issued reflecting sharp ideological and other differences between Moscow and Beijing.

Although Mongolia is a relatively backward country, it has abundant natural resources and a vast animal husbandry industry. Mutual co-operation, embodied in the

three agreements on scientific and technological cooperation, environmental protection and health and hygiene signed during Mr Ochirbat's visit, will help Mongolia develop its economy.

China and Mongolia do have differences, some perhaps quite serious. Part of this is mirrored by Mr Ochirbat's abrupt return to Ulan Bator to deal with fresh problems arising out of demand for greater degrees of democracy.

Beijing is watching the development with grave concern as any move for greater democracy will have a profound effect on China's Inner Mongolia autonomous region—a situation China would not like to see.

To this end, the visit by the Mongolian President will help in bringing the two sides together, however tenuous such ties may be.

From the discussions with Mr Ochirbat, the Beijing leadership, which is increasing more orthodox and apprehensive about the liberal trends in Eastern Europe, may be able to gauge the extent of the democratic movement in Mongolia.

Should the trend continue, Beijing may well have to accept the fact of a neighbour whose government has an effective opposition.

Unlike India, with which there is a land barrier in the Himalayas and the Tibetan plateau, the influence of a two-party democratic system in Mongolia could have a serious impact not only on Inner Mongolia, but on the central leadership as well.

Beijing may have to take steps necessary to preserve its orthodoxy, or in the words of the senior leader, Mr Deng Xiaoping, Marxism with Chinese characteristics.

The Mongolian Government yesterday bowed to protesters' demands for a consultative council to parliament comprising all political groups.

Mongolia's Communist Party followed Moscow's cue in March and renounced its nearly 70-year monopoly on power. It promised free elections for late July.

Economic Exchange Meeting Closes in Xiamen

OW0905065490 Beijing in Japanese to Japan
1430 GMT 4 May 90

[Text] The Sino-Japanese Economic Exchange Council closed its 10th special plenary meeting in Xiamen, Fujian Province, yesterday. At the meeting, participants from China and Japan exchanged views on the current political and economic situation in the world in general, the economic situation in China and Japan, and topics of Sino-Japanese economic cooperation. [passage indistinct]

Vice Chairman Guo Mu of the Chinese People's Political Consultative Conference spoke at the closing ceremony, and said that the people of China and Japan must continue their friendly relations, generation after generation, widening areas of economic cooperation [words

indistinct]. Regardless of international political and economic changes, Sino-Japanese friendship must be furthered and promoted, and this would contribute to peace and security in Asia and the world, he said. Vice Chairman Gu Mu added he hoped that the Sino-Japanese Economic Exchange Council, by adding meetings in the future, will fill the needs in terms of sophistication [words indistinct].

Sabaro Okita, former foreign minister of Japan and currently chairman of Naigai Policy Research Council, in his greetings at the closing ceremony, said that Japan could understand efforts by the Chinese leaders for the economic development of China. Japan had to, whenever there were occasions to do it, explain to the world China's efforts in pursuit of economic development. He said he was optimistic about the future of Sino-Japanese economic cooperation. He added that he hoped the third yen loan will be carried out as soon as possible.

Professor (Xue Feng), renowned economist and chairman emeritus of Development Research Center under the State Council, also spoke at the closing ceremony.

Meanwhile, it has been decided that the next session of the Economic Exchange Council, the 11th special plenary meeting, should be held in Japan in mid-May next year.

Sino-Japanese Joint Health Project Expanded

OW0805201990 Beijing XINHUA in English
1427 GMT 8 May 90

[Text] Changsha, May 8 (XINHUA)—A Sino-Japanese package project for family planning, maternity and child hygiene, and control of parasitosis has been expanded to Hunan and Yunnan Provinces this year, according to health officials here.

The package project has already been implemented in Liaoning, Shandong and Jiangsu Provinces and the Inner Mongolia Autonomous Region.

The achievements of the project, created by the Japanese Organization for International Cooperation in Family Planning Association, has attracted the attention of developing countries as well as the International Planned Parenthood Federation.

Since 1973 the project has been implemented in 23 developing countries and regions in Asia, Africa, Latin America and the Pacific.

China introduced the project in 1984. Through cooperation with the International Planned Parenthood Federation and the Japanese organization, the China Family Planning Society has implemented the project in six counties. In the suburbs of Taian City, Shandong Province, the number of rural households with clean drinking water has increased from 10 percent to 97 percent after three years of effort, and the infection rate of roundworm has dived from 77.15 percent to 22 percent.

For implementing the project in China, Chinese and Japanese experts held a workshop to train 90 students from different parts of China from April 29 to May 5 in Hengshan County, Hunan.

Sino-Japanese Hotel To Be Managed by U.S. Firm

OW0805201690 Beijing XINHUA in English
1428 GMT 8 May 90

[Text] Shanghai, May 8 (XINHUA)—The Taipingyang (Paific) Hotel, a Sino-Japanese joint venture here, signed a contract today with the U.S. Westin Hotels Company to manage the hotel.

This is the first time for the U.S. company to manage a hotel in China, although it already manages 70 five-star hotels in several dozen countries and regions worldwide, including the United States, Canada, Mexico, Singapore and Hong Kong.

Located in the Hongqiao economic and technological development zone, the Taipingyang Hotel, which has been completed, is expected to open for business in September this year. With more than 600 rooms, it will be a luxury hotel and will provide internationally first class service.

Southeast Asia & Pacific

Li Ruihuan Meets Singapore Businessmen

OW0905090890 Beijing XINHUA in English
0725 GMT 9 May 90

[Text] Beijing, May 9 (XINHUA)—Li Ruihuan, member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee, met here today with H.R. Hochstadt, executive chairman of the Neptune Orient Lines of Singapore, and Fong Sip Chee, business adviser of China market of the lines.

Philippine Tourism Secretary Leaves for Beijing

OW0805151490 Beijing XINHUA in English
1032 GMT 8 May 90

[Text] Manila, May 8 (XINHUA)—Philippine Tourism Secretary Peter Garrucho left here today for a one-week friendly visit to China.

He and his party will visit Beijing, Guangzhou and some other tourist destinations at the invitation of Liu Yi, chairman of the China National Tourist Administration.

Secretary Garrucho told XINHUA before his departure that during his visit to China, he will sign an agreement with Liu Yi to strengthen cooperation in tourism between the Philippines and China.

Under the agreement, he added, the two countries will share information and expertise in tourism.

Tourism Undersecretary Narzalina Lim, who left for China with Garrucho, said that she, as chairman of the

National Parks Development Committee of the Philippines, will discuss with skilled Chinese landscapers and architects the possibility of developing a Chinese garden in Manila as a symbol of Philippine-Chinese friendship.

Near East & South Asia

United Arab Emirates President Continues Visit

Meets Yang Shangkun

OW0805130090 Beijing XINHUA in English
1226 GMT 8 May 90

[Text] Beijing, May 8 (XINHUA)—Chinese President Yang Shangkun met here this afternoon with Shaykh Zayid Bin-Sultan Al Nuhayyan, president of the United Arab Emirates (UAE), who is here for a five-day official goodwill visit.

During the meeting, Yang extended a warm welcome to Zayid and his party, wishing his visit a success. "I hope leaders of our two countries will exchange frequent visits in the future," Yang said.

Zayid said his current visit will serve as "a firm basis for further developing the friendly relations between our two countries."

"I believe," Zayid said, "such friendly relations are in the interests of the two peoples and I hope this friendship will last for forever."

The two presidents expressed their shared wish that countries of the world will live together and cooperate with each other as friends, so that people can have a better life in a peaceful, stable environment.

China is willing to make its due contributions to the lasting peace and stability of the world, Yang said.

During the meeting, the Chinese president praised Zayid as "a leader of foresight and sagacity, who is committed to peace and development and has done a lot of useful work in safeguarding the unity of the Arab nations."

Prior to the meeting, President Yang presided over a welcoming ceremony outside the Great Hall of the People for President Zayid.

Welcomed at Banquet

OW0805230990 Beijing XINHUA Domestic Service
in Chinese 1331 GMT 8 May 90

[By reporters Zhou Cipu 0719 1864 2613 and Zhou Shuchun (0719 2885 2504)]

[Text] Beijing, 8 May (XINHUA)—President Yang Shangkun hosted a banquet at the Great Hall of the People this evening to welcome President Zayid Bin-Sultan Al Nuhayyan of the United Arab Emirates [UAE], who is on an official goodwill visit to China.

The banquet hall was decorated with Chinese and UAE national flags. When President Zayid entered the hall in the company of President Yang Shangkun, a band played a welcome march and the hall resounded with thunderous ovation.

Yang Shangkun and Zayid gave ebullient toasts at the banquet.

In his speech, Yang Shangkun lauded the notable achievements in national construction and foreign affairs scored by the people of the UAE under the leadership of President Zayid, and sincerely wished the UAE Government and people greater success on their road of advance.

After reviewing the longstanding traditional friendship between the people of the two countries, Yang Shangkun pointed out: Since the establishment of diplomatic ties, the friendly, cooperative relations between the two countries have developed in a satisfactory manner, because the two countries hold identical or similar stands on major international issues and because the people of the two countries are peace-loving and dedicated to construction, upholding justice, and respecting each other. He said: "We value the great importance attached by Your Excellency the President and the government of the UAE to developing friendly ties with China. The development of friendly, cooperative relations with the UAE and other Gulf nations also occupies a very important position in China's foreign policy." Yang Shangkun expressed the belief that President Zayid's visit to China will add a new chapter to the annals of friendship between the people of the two countries and will certainly push the friendly, cooperative relations to a higher stage.

Yang Shangkun pointed out: While momentous changes are occurring in the world today, the safeguarding of peace and the seeking of development have become the irreversible tide of the times. However, destabilizing factors leading to tension and turbulence in the world still exist. For the goal of continued relaxation and lasting peace in the world, the Chinese Government stands for the establishment of a new international political order based on the five principles of peaceful coexistence as well as a new international economic order based on equality and mutual benefit.

He said: The Chinese people and the Arab people share a profound traditional friendship which has endured the test of time and grown stronger than ever. The friendly, cooperative relations between China and the Arab countries have developed continuously and in a sound way along the path of mutual understanding, trust, and support. The Chinese Government will, as always, support the just struggle of the Palestinian and other Arab peoples to restore their national rights and seek a just and comprehensive settlement of the Middle East problem. The Chinese Government also supports the various unrelenting efforts to promote the process of

peace talks between Iran and Iraq. The Chinese Government admires the commitment of the Arab countries, the Gulf nations in particular, to unity, cooperation, self-improvement, and common development.

Turning to the domestic situation, Yang Shangkun said: "At the present, China's political and social situation is stable and its national economy is developing in a wholesome direction. The practice has amply proved that the socialist road we have chosen is correct and welcomed by the people. China will steadfastly implement the policy of reform and opening to the outside world, continue to pursue an independent and peace-loving foreign policy, develop friendly ties with countries of the world on the basis of the five principles of peaceful coexistence, and strive to build China into a prosperous and strong modern socialist country."

In reply, Zayid said that President Yang Shangkun's visit to the UAE last December has effectively contributed to the strengthening of the friendly, cooperative relations between the UAE and China.

He said that his current visit to China shows that the UAE Government and people attach great importance to developing relations with China. He said that the UAE and China will continue their common efforts to promote mutual understanding and friendship by jointly pursuing the principles of peaceful coexistence—mutual respect for sovereignty, independence, and territorial integrity, noninterference in each other's internal affairs, equality and mutual benefit, and goodneighborliness and friendship—in order to benefit the friendship between the people of the two countries.

After briefing his Chinese host about the achievements of the UAE people in their national construction, Zayid said: These achievements have been made "as the result of the UAE people firmly implementing their own policy. The consistent principles embodied in the policy include the deep belief of the UAE people that the UAE, as an inseparable part of the Arab nation, has its own national interests; that as the Gulf Arab nations are unified as one in terms of natural environment and history, the UAE must establish the most solid and closest relationships with other member states of the Gulf Cooperation Council; that the Arab nation has its interests as a whole and its just cause must be supported; that the UAE must strengthen its fraternal ties with Third World countries, particularly those in Asia and Africa; and that the UAE must promote friendly, cooperative relations with all countries and peoples on the basis of friendship and good-neighborliness, mutual respect, and consideration of lawful interests in order to maintain world peace."

Noting China's important role in international political affairs, he said that the UAE thanks China for its resolute support for the Arab people's just cause, especially for the struggle of the Palestinian people under the leadership of the Palestine Liberation Organization.

On the situation in the Gulf region, Zayid said: The present deadlock in the peace talks and the situation of no war-no peace between Iraq and Iran benefit neither party, posing a threat to the security and stability of the region. As the Gulf region bears vital significance for world security and peace, the restoration of peace to this region is an urgent task and in the important interests of all countries, especially Iraq and Iran.

He said: The UAE welcomes China's cooperative ties and relations of mutual understanding with its neighboring countries, India and Pakistan in particular, and supports their closer relations.

Zayid said: The UAE denounces the policy of racial discrimination, supports the liberation movement to get rid of the yoke of colonialism, and stands for the establishing of balanced and fair economic relations between industrialized and developing countries, in order to reduce the threat of hunger and poverty to mankind.

While hailing the relaxation between the two superpowers, Zayid pointed out: International peace and understanding should not be won at the cost of common sense and international norms. The foremost of these norms is the right to self-determination. Some people have not yet won complete political independence or built up their own economic systems, and some still suffer from racial oppression and foreign occupation. They should not be deprived of their basic rights. International understanding and peace will not be established, nor will they last, if the interests of some people are hurt for the interests of other people.

Distinguished visitors from the UAE, who have accompanied President Zayid on the visit to China, were invited to attend the banquet.

Among those Chinese officials who attended the banquet were Vice Premier Wu Xueqian, State Councillor and Defense Minister Qin Jiwei, Vice Chairman Rong Yiren of the National People's Congress Standing Committee, Foreign Minister Qian Qichen, and Forestry Minister Gao Dezhan, who is the chairman of the Chinese Government's reception committee.

This afternoon, Yang Shangkun presided over a welcome ceremony for President Zayid at the square outside the east gate of the Great Hall of the People.

After the welcome ceremony, Yang Shangkun met with Zayid in the Great Hall of the People. The two leaders had a cordial, friendly talk. At the end of the meeting, they exchanged souvenirs.

Visits Tiananmen Square

OW0905080190 Beijing XINHUA in English
0659 GMT 9 May 90

[Text] Beijing, May 9 (XINHUA)—President of the United Arab Emirates Shaykh Zayid Bin-Sultan Al

Nuhayyan laid a wreath at the Monument to the People's Heroes in Tiananmen Square here today.

Gao Dezhan, chairman of Chinese Government reception committee and minister of forestry, accompanied the president on the occasion.

Meets Li Peng

OW0905083790 Beijing XINHUA in English
0757 GMT 9 May 90

[Text] Beijing, May 9 (XINHUA)—Chinese Premier Li Peng and United Arab Emirates (UAE) President Shaykh Zayid Bin-Sultan Al Nuhayyan expressed satisfaction with growing Sino-UAE relations in talks at the Great Hall of the People here this morning.

Li Peng said the frequent exchange of visits between leaders of the two countries in recent years has brought them closer.

Zayid said the genuine friendship between the UAE and China has made them "shoulder to shoulder brothers".

He briefed the Chinese premier on his country's efforts to strengthen its federal unity, pursue friendly policies toward neighboring countries and promote comprehensive cooperation with all countries.

Li Peng had high praise for the outstanding achievements of the UAE under the leadership of President Zayid in utilizing its rich oil resources, developing a mixed economy and improving living standards.

Li Peng stressed that China has been opening its doors in all directions and through various channels.

He expressed satisfaction with the rapid development of friendly Sino-UAE relations and cooperation.

The two leaders had an in-depth discussion on furthering the cooperation between the two countries in economics, trade and other fields.

The UAE representatives at the discussion included Shaykh Muhammad Bin-Rashid al-Maktum, minister of defense; Shaykh Sultan Bin-Zayid Al Nuhayyan, director of the Abu Dhabi public works board; Ahmzd Khalifa al-Suwaydi, private representative of the president; Brig. Shaykh Muhammad Bin-Zayid Al Nuhayyan, commander of the Air Force and Air-Defense Corps; Shaykh Ahmad Bin-Sa'id al-Maktum, chairman of the Dubai civil aviation board; and Dr. Mani' Sa'id al-Utaybah, minister of petroleum and mineral resources.

The Chinese side included Qin Jiwei, state councillor and minister of national defense; Qian Qichen, foreign minister; Gao Dezhan, chairman of the Chinese Government Reception Committee and minister of forestry; and Huang Yicheng, minister of energy resources.

Pakistani Delegation Continues Beijing Visit

Ready To Resolve Kashmir

BK0805025290 Islamabad Domestic Service
in Urdu 0200 GMT 8 May 90

[Text] Begum Nusrat Bhutto, the senior federal minister and chairperson of Pakistan People's Party, has said Pakistan is ready for talks with India for a peaceful settlement of the Kashmir dispute on the basis of the UN resolutions.

Speaking at a banquet hosted by Jiang Zemin, the general secretary of the Chinese Communist Party, in honor of the visiting Pakistani delegation in Beijing last night, she said the hegemonistic ambitions of certain regional powers and the denial of the right of self-determination to the people of the Indian-occupied Kashmir pose new threats to regional peace. Pakistan on its part is committed to following the path of peace and to resolving Kashmir dispute in a peaceful manner.

Begum Nusrat Bhutto said as a major country, China can play an important role in the process of negotiations, which will help maintain peace in the region.

Jiang Zemin said: We hope that both Pakistan and India will adopt restrained approach in the spirit of the five principles of peaceful coexistence and solve the Kashmir dispute through dialogue. While appreciating Pakistan's foreign policy of peace, independence, and nonalignment, Jiang Zemin said Pakistan is playing an important role in international affairs.

Meets Zhou Enlai's Widow

OW0805125390 Beijing XINHUA in English
1101 GMT 8 May 90

[Text] Beijing, May 8 (XINHUA)—Deng Yingchao, widow of the late Chinese Premier Zhou Enlai, here this afternoon met with Begum Nusrat Bhutto, chairperson of the Pakistan People's Party (PPP), and the PPP delegation led by her.

Deng described Bhutto as "an old friend of the Chinese people", saying that her visit would promote Sino-Pakistani friendship.

Bhutto said that as time goes by, the Pakistan-China friendly relations will continue to develop.

Recalling her meetings with Bhutto in the past, Deng said: "I hope Mrs. Bhutto and other Pakistani friends will come to visit China again in the future."

Meets Li Peng

OW0805181890 Beijing XINHUA in English
1356 GMT 8 May 90

[Text] Beijing, May 8 (XINHUA)—Chinese Premier Li Peng discussed bilateral relations and world issues with a delegation from the Pakistan People's Party (PPP) led by its chairperson, Begum Nusrat Bhutto, here this evening.

During the conversation, the premier recalled that he had been accorded a warm reception by the Pakistan people and government, President Ghulam Ishaq Khan, Prime Minister Benazir Bhutto and Nusrat Bhutto when he visited Pakistan last November. Li told the Pakistan party leader he was very pleased to see her again in Beijing.

Only half a year later, he said: "Mrs. Bhutto has come to visit China, the first ever foreign trip by a PPP delegation led by her. The current visit will surely promote friendly exchanges between the two parties and two countries, bringing Sino-Pakistan friendship to a higher level," said Li, who is also a member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee.

Mutual visits by leaders of the two countries have strengthened bilateral relations and deepened mutual understanding, Li said, adding that China and Pakistan enjoy a traditional friendship.

Mrs. Bhutto, who is also a senior minister in the Pakistan cabinet without portfolio, said she thanked the Chinese people and their leaders for all they have done to promote Pakistan-China friendship. The friendly relations between the two countries will continue to grow, she added.

Following the discussion, Li hosted a dinner for the Pakistan visitors. Also present were Li's wife, Zhu Lin, and other Chinese party and government officials.

Bhutto is due to leave here for a tour of Shanghai, China's largest industrial city, tomorrow morning.

West Europe

\$10 Million Loan Agreement Signed With Italy

*OW0805233890 Beijing Television Service in Mandarin
1000 GMT 26 Apr 90*

[Announcer-read report over video from the "National News Hookup" program]

[Text] China Investment Bank and Italy's credit bank signed a \$10 million loan agreement in Beijing today. China uses the long- and medium-term loans that its investment bank obtains from foreign countries primarily to carry out technological innovations in its medium and small-scale industrial enterprises. Thus far, more than 1,100 loan programs have been approved, and 532 of them have been implemented. The majority of the programs are related to export ventures, which are designed to earn foreign exchange.

Shanghai Shipyard Delivers Ship to FRG

*OW0805210890 Beijing XINHUA in English
1411 GMT 8 May 90*

[Text] Shanghai, May 8 (XINHUA)—The Hudong Shipyard delivered a large container vessel to the Hapag-Lloyd Company of Federal Germany here today.

The 41,000-dwt "Berlin Express" is 233.9 m long, 32.2 m wide and 18.8 m high. It can accommodate 2,700 standard containers, including 544 refrigerator containers.

It is learnt that the highly automated vessel can be controlled by one operator. The temperature difference of its refrigerator containers can be automatically kept within 0.3 degrees centigrade.

The ship was equipped with a 31,000-horsepower diesel engine made in Shanghai.

The Hudong Shipyard began to build the ship ordered by the German firm in March 1988.

Latin America & Caribbean

Chen Muhua Meets Colombian President's Daughter

*OW0805135490 Beijing XINHUA in English
1047 GMT 8 May 90*

[Text] Beijing, May 8 (XINHUA)—Chen Muhua, vice-chairwoman of the Standing Committee of the National People's Congress and president of the All-China Women's Federation, met and hosted a dinner for Julia Barco Isackson, daughter of the president of Colombia, here this evening.

Miss Julia who arrived in Beijing May 7 has been here as guest of the All-China Women's Federation. She is scheduled to make a tour of the Chinese cities of Xi'an, Urumqi, Turpan and Shanghai.

Peng Chong Meets Panamanian Newspaper Chairman

*OW0805142590 Beijing XINHUA in English
1033 GMT 8 May 90*

[Text] Beijing, May 8 (XINHUA)—Vice-chairman of the standing committee of the National People's Congress Peng Chong met Jamie Padilla, chairman of the board of "EL SIGLO", a Panamanian newspaper, here today.

Peng said the Chinese and Panamanian people should increase contacts and journalists should take the lead.

Padilla briefed Peng on Panama's domestic situation.

Padilla has been here as guest of the XINHUA NEWS AGENCY.

Political & Social

Army Newspaper Hails End of NPC Session

*HK0805122090 Beijing JIEFANGJUN BAO in Chinese
5 Apr 90 p 1*

[Editorial: "Struggle in Unity, Achieve Stable Development—Congratulating Victorious Conclusion of the Third Session of the Seventh National People's Congress and the Seventh National Committee of the Chinese People's Political Consultation Conference"]

[Text] In the springtime, the Third Session of the Seventh National People's Congress [NPC] and the Third Session of the Seventh National Committee of the Chinese People's Political Consultative Conference [CPPCC] completely fulfilled their agendas and were closed to the sound of the magnificent melody of the national anthem. We extend our warm congratulations to the complete success of the NPC and CPPCC sessions!

They were the first NPC and CPPCC sessions in the 1990's and were also the first NPC and CPPCC session held since the turmoil was checked and the counterrevolutionary rebellion was quelled. Therefore, they attracted wide attention from public opinion at home and abroad. Spring was very much in the air both inside and outside the meeting places. The sessions were permeated with the atmosphere of "democracy, truth-seeking, unity, and morale-boosting" from beginning to end. The NPC deputies and the CPPCC National Committee members all demonstrated a high sense of responsibility and fully exercised their democratic rights as masters of the state. They spoke out freely in discussing state affairs and national policies, pooling their collective wisdom and satisfactorily fulfilling the tasks for the sessions. The "Government Work Report" examined and approved by the NPC session reviewed the great historic victories of the past year, realistically analyzed existing problems, comprehensively summed up the positive and negative experiences, and scientifically expounded the current situation and tasks. It is a programmatic document for guiding government work in the next year. The NPC session also deliberated and approved the "Basic Law for the Hong Kong Special Administrative Region of the PRC," which was the creative result of giving expression to the conception of "one country, two system" in the form of law. The Basic Law is of far-reaching historic significance and will produce extensive international influence. The effective performances of the NPC session showed that it was a session of unity, a session of truth-seeking, a session of morale-boosting, and a victorious session. It was of great significance for unifying the people's thinking, boosting the national morale, ensuring the long-lasting peace and stability in our country, and advancing continuously along the course of building socialism with Chinese characteristics.

The fact that all of the cadres and soldiers of this Army particularly noticed was that the NPC session decided on personnel changes in the Central Military Commission

of the state. Through serious discussions, the NPC session accepted Comrade Deng Xiaoping's resignation from the chairmanship of the Central Military Commission of the state and at the same time elected Comrade Jiang Zemin as new chairman of the Central Military Commission of the state. We express our firm support for this decision.

Comrade Deng Xiaoping is an outstanding leader who enjoys the heartfelt support of all soldiers and civilians in our country and enjoys high prestige in the Army and among the people. In his revolutionary career of more than 70 years, he has made indelible contributions to China's cause of national independence and popular liberation and to China's socialist revolution and construction. Since the Third Session of the 11th CPC Central Committee, as the core of the second generation of the CPC leading collective, he has presided over the formulation of the correct ideological, political, and organizational line suited to China's national conditions and has put forward the basic theory for building socialism with Chinese characteristics by combining the basic principles of Marxism with the realities of our country's socialist modernization construction, thus maintaining and developing Mao Zedong Thought under the new historical conditions. The cadres and soldiers of the whole Army will particularly remember his magnificent contributions to the establishment and development of our Army. In particular, in the 10 years he personally led the Central Military Commission, he put forward a series of conceptions and principles for building a modern and regular revolutionary army with Chinese characteristics and led the strategic adjustment of the guideline for this Army and a series of major reforms, thus guiding our Army's construction into a new historical period of development. In last year's storm, our Army was able to join the people in the whole country in winning the great historic victory of rapidly checking the turmoil and quelling the counterrevolutionary rebellion precisely because of the correct leadership and command of the older generation of revolutionaries and the majority of the central leading collective represented by him. Now, although Comrade Deng Xiaoping has retired, the theories and viewpoints he put forward will always be the valuable spiritual wealth of the entire party and Army and of the people of all nationalities throughout the whole country. The conceptions and principles he put forward for army construction will play a long-term and major guiding role in the process of our Army's revolutionization, modernization, and regularization.

The NPC session elected the state's Central Military Commission, with Comrade Jiang Zemin as chairman and with Comrades Yang Shangkun and Liu Huaqing as vice chairmen. This represented the common wishes of the Armed Forces of the whole country. Since the Fifth Plenary Session of the 13th CPC Central Committee, the new CPC Central Military Commission has done a great deal of work and achieved marked results in maintaining the party's absolute leadership over the Armed Forces,

greatly strengthening the political construction of the Armed Forces, ensuring that the Armed Forces are always politically up to standard, improving military training and logistics work, and comprehensively enhancing the fighting capacity of the troops. This convincingly shows that the Central Military Commission with Comrade Jiang Zemin as chairman is able to exercise strong and effective leadership and is completely trustworthy. Under the leadership of the Central Military Commission, our Army will certainly be able to carry forward the glorious tradition and raise its revolutionary, modernization, and regularization to a new level.

Struggle in unity and stable development was the central theme of the NPC session and is also a question that we should think deeply about. The Chinese people, after experiencing over 100 years of suffering, the 10-year turmoil, and last year's political storm, are deeply aware that stability is extremely important and has not come easily. Only with national stability will there be a peaceful life for the people and a prosperous economy for a country. Without a stable and united political situation and a stable social environment, it would not be possible to develop the national economy, carry out reform, open up to the outside world, improve democracy and the legal system, upgrade the people's living standards, and realize the "three-step" strategic objective. At present, we are faced with external pressure and internal difficulties, and maintaining national stability is a task of primary and overwhelming importance. As long as we maintain a high degree of stability in our country, no external pressure will force us to yield and no difficulty will stop our advances. The cause of socialist modernization will certainly be successful. Therefore, those who make contributions to stability will be regarded as heroes of the nation and the people. We must be fully aware of this point and must first give consideration to stability whatever we do. We must cherish the stable and united political situation as we cherish our lives.

The Armed Forces play a special role in maintaining national stability. When participating in the discussion of the NPC deputies from the Armed Forces, Comrade Jiang Zemin said that the People's Liberation Army, which has undergone many tests over a long time and has fought countless battles, constitutes an important factor in maintaining the stable situation in our country and is a major force for stability. The "Government Work Report" also fully affirmed and warmly praised the achievements of our Army's construction, especially the great contributions to checking the turmoil and quelling the counterrevolutionary rebellion. This expressed the great expectations of the party and the people for our Army. This has greatly inspired and spurred the cadres and soldiers of the whole Army. We must better fulfill our sacred mission of consolidating national defense, resisting aggression, defending the motherland, and safeguarding the people's peaceful work as prescribed by the Constitution; maintain a high degree of concentration

and unification of the Army itself; continuously strengthen the Army's comprehensive construction; further enhance the fighting capacity of the troops; and make contributions to maintaining the country's long-lasting peace and stability. When the international situation is undergoing drastic changes and class struggle still exists in certain areas at home, sometimes even becoming intense, we must particularly make a great effort to strengthen the Army's political construction and ensure that the Army will always be politically up to standard. This should be taken as the Army's fundamental task. The Army must always be subject to the absolute leadership of the party and must be able to fulfill all tasks assigned by the party and the people.

Spring is the season for sowing. The two sessions which just concluded spread the seeds of hope like the spring winds. Now, let us work diligently in this golden season of spring and strive for bumper harvests.

Situation in Spratlys Called 'Tense Again'

*HK0805121290 Hong Kong TANGTAI in Chinese
No 23, 5 May 90 p 12*

[Article by Ho Po-shi (0149 0130 2457) in Beijing: "Military Sources Say the Situation in Nansha (Spratly) Archipelagos Has Become Tense Again as Little Neighbors Are Taking Advantage of China's Tolerance"]

[Text] JIEFANGJUN BAO recently published an article on the situation in the Nansha archipelagos. The article has aroused concern abroad. According to the article, Vietnam and other countries are continuously using foreign technology and assistance to survey for oil in Chinese territorial waters near the Nansha archipelagos. Apart from violating Chinese sovereignty, this is also exploiting China's economic interests.

JIEFANGJUN BAO Issued a Warning

This situation has continued for years and China has also issued serious statements on this problem. But why is it that the recent JIEFANGJUN BAO article has aroused concern abroad? This is because the article points out if this situation is allowed to continue tension, and even military clashes, will take place in this region.

News from the military suggests that internal debates occurred in the Chinese military (particularly among national defense theoreticians) following the change in the situation in the Nanshas. The debates focused on these points: Where should the present strategic emphasis be laid? Should it be laid on maritime, land, air, or space defense? Or should we adopt a "broader national defense" strategy (which involves the above various war environments)? Those who favored maritime defenses related some disappointing facts about the Nanshas and raised different opinions on maritime defense.

Small Countries Are Carving Out China

"Small countries are carving out Chinese territory" in the Nanshas, they pointed out. These countries and regions include Vietnam, the Philippines, Malaysia, Taiwan, and Brunei. They are violating Chinese sovereignty over the Nanshas in two ways: One is claiming to have sovereignty over the Nanshas and the other is using their own or foreign technology and personnel to "silently" explore for and exploit oil resources in the Nansha. There are over 2,500 islands in the Nanshas. Sandbanks, reefs, and shoals cover an area of 240,000 square km. There are some 20 large islands, which are of strategic importance militarily and are rich in petroleum and natural gas resources. In terms of diplomacy and sovereignty, these countries and regions are not necessarily in a position to argue with China. So they have devoted their efforts to economic explorations in this region.

Petroleum Worth \$60 Billion Is Plundered Each Year

Those who favored stressing maritime defense construction said that petroleum worth \$60 billion is plundered by these small countries and regions each year. Brunei alone extracts petroleum worth \$9.9 billion from this region each year. They said sadly: "China is poor in oil resources. If it loses its sea oil, it could remain uninvigorated for 100 years. Not only are we consuming the resources provided by our predecessors, but we are also giving away good opportunities for production. This generation of ours is useless."

Why is it that China can do nothing in the face of the invasion by these small countries and regions? Those who favored stressing maritime defense construction pointed out some historical facts and actual reasons.

Naval and Air Forces Are Inadequate

First, China does not have adequate maritime combat forces. The Nansha archipelagos are 2,000 km from the southern coastline of China, much further than the distance between these archipelagoes and Japan, the Philippines, and Vietnam. China does not have an aircraft carrier to dispatch fighter planes to the Nansha sea area. Fighter planes may depart from Hainan Island, but when they arrive in Nansha the oil might be used up. In this case, they cannot engage in prolonged combat. Other warships may reach the Nanshas, but they are too few in numbers. If they are assigned a mission in the South China Sea, the naval forces in the East China Sea will be affected. Some people might ask, since China has intercontinental ballistic missiles to launch over the ocean, what is it afraid of? But as a matter of fact, the current situation in the Nanshas is not so tense that intercontinental missiles should be used to tackle it. Therefore these small countries and regions, taking advantage of China's tolerance and restraint from the use of arms, are silently plundering the oil there.

Leaders Lack the Concept of Maritime Defenses

Second, Chinese military leaders have for a long time lacked the concept of maritime defense and maritime rights. Those who favored stressing maritime defense construction pointed out, most Chinese military leaders at present do not understand the importance of sea combat because they were originally foot soldiers. Following the changes in the international situation and the balance of forces, they have shifted their efforts to the study of air and land battles, thus putting maritime defense construction in an inferior position. In addition, naval construction focuses on the east coast to the neglect of the southern coast, because CPC leaders always think that maritime threat comes from Japan and Taiwan and not from small countries like the Philippines or Vietnam. Therefore maritime defense in the South China Sea is always weak, and patrol vessels are very few. Thus small countries and regions have gradually started carving out Chinese territory.

Some Chinese leaders even think that the most southern point of Chinese territory is Hainan Province, and the 9.6 million square km of Chinese territory does not cover the sea. Therefore many suggestions on maritime defense construction have been pigeon-holed. Ye Nan and Qian Jiang, writers from military units, tried to arouse the attention of military leaders through artistic creation, but to no avail.

Vietnam Is Expanding Its Naval Establishment

At a time when China is unable to exploit its oil in the Nanshas or stop oil exploitation by others, small countries and regions have become frantic in plundering oil in the Nanshas. In this event, what Vietnam is doing has drawn China's attention, because other small countries are only carrying out an economic invasion whereas Vietnam is engaged in military aggression. According to information obtained by China, although since 1987 Vietnam has reduced its military spending from \$3.3 billion to \$2 billion and cut its troops from 1.2 million to 700,000, it has enforced its reserve troops and militiamen in border areas, on islands, and in important coastal regions (reserve troops throughout the country total over 3 million). It has also focused its military construction on naval vessels, submarines, marine corps, garrisons, and the improvement of maritime and air weapons. Top Chinese military leaders said that Vietnam is making long-term arrangements. It is carrying out an internal economic adjustment on the one hand and expanding to the sea on the other. Therefore JIEFANGJUN BAO also reminded people that the Nansha issue might cause new clashes and become the focus of attention in the world.

Jiang Zemin Attends Meeting of Model Workers

Jiang Speaks at Meeting

OW0805140190 Beijing Television Service in Mandarin
1100 GMT 8 May 90

[From the "Nationa! News Hookup" program]

[Text] After the end of a meeting sponsored by the All-China Federation of Trade Unions for model workers to report on their deeds today, Jiang Zemin, general secretary of the CPC Central Committee, as well as Li Ximing and Deng Guangen and other comrades met members of the All-China Federation of Trade Unions' model workers reporting group in the Great Hall of the People. [Video begins with a closeup shot of the interior of a reception room where Chinese leaders Jiang Zemin and other leaders are seated. A pan shot shows Li Ximing seated on Jiang Zemin's left, Ni Zhifu on Jiang Zemin's right, and Deng Guangen is seated next to Li Ximing]

[Begin recording] [Jiang Zemin] My mission of coming here today is to listen to your reports and to learn from you. The vivid speeches just made by the five comrades have educated me profoundly. In my opinion, you have used your industrious work at your posts and vivid concrete deeds to carry forward the fine tradition of the working class. This was mentioned a while ago by the chairman of the All-China Federation of Trade Unions. The Chinese working class has many fine traditions, but we have roughly talked about four aspects. As a whole, the Chinese working class has a courageous spirit of arduous struggles and industriousness and thrift. In my opinion, we can say now that after all these years we have gained a profound experience; that is, bourgeois ideology will certainly occupy any position where proletarian ideology fails. So long as we use proletarian ideology to occupy the position and strengthen ideological-political education, the working class will be able to produce inexhaustible strength. Therefore, I hope that the spirit of patriotism of the Chinese nation; the spirit of diligence, courage, and arduous struggles of the Chinese working class; and their spirit of working hard to make the country and the nation prosperous and strong will be spread to all areas of the country through you, the report group, so as to whip up a big upsurge of working for our four modernizations drive. [end recording] [Video pans across the room to show other unidentified Chinese leaders and members of model workers reporting group while Jiang Zemin is seen addressing them]

Jiang Hears Model Workers

OW0805203490 Beijing XINHUA in English
1404 GMT 8 May 90

[Text] Beijing, May 8 (XINHUA)—A group of model workers, organized by the All-China Federation of Trade Unions, delivered a public lecture in the Great Hall of the People here this afternoon.

Jiang Zemin, general secretary of the Central Committee of the Communist Party of China, other leaders and 6,000 other people attended the lecture.

First, Shen Guan, head of a drilling team from the Daqing oilfield, gave a report on the contributions of the team to the development and construction of China's oil industry. The first head of the team, Wang Jinxi, known as the "Iron Man" throughout China during the 1960's,

devoted himself to China's oil industry and set an example of hard work, he reminded the audience.

The second speaker was Li Shuangliang, a retired worker of the Taiyuan Iron and Steel Company, who contracted to remove the company's slag heaps. He transported 14.84 million tons of slag and recovered 563,900 tons of scrap iron and steel and 67,400 tons of other materials from them for the state in less than seven years.

The third speaker was Hu Dianrong, a representative of Tangshan's Liuzhuang Coal Mine. He explained how the 516 officials and workers in the mine have worked hard and united as one to overcome difficulties in production.

Following him came Li Guoqiao, deputy director of the Guangzhou College of Traditional Chinese Medicine and director of the Sanya Institute of Tropical Medicine. Li has cured over 80,000 malaria patients and saved the lives of more than 500 patients with cerebral malaria.

The final speaker was Zhu Hua, manager of a restaurant in the suburbs of Nantong City, Jiangsu Province. He explained that he puts the public interest first and makes a point of showing courtesy to customers.

After the public lecture ended, General Secretary Jiang Zemin met with the model workers and told them that unless proletarian thinking occupies the ideological frontline, selfish bourgeois thinking will usurp its place. When proletarian thinking occupies the frontline, it will produce an inexhaustible power, he said.

"Your accomplishments make me sure of this inexhaustible power," he told them. "One can make extraordinary contributions in any ordinary position. So long as all walks of life display your spirit and carry forward the fine tradition of the Chinese working class and the glorious tradition of the Chinese nation, all difficulties can be overcome and all problems can be solved," Jiang said.

Jiang added that he hoped the model workers would inspire the whole nation to score new successes in the socialist modernization program.

Zhao Ziyang Associates Seen in Public Again

HK0905022590 Hong Kong SOUTH CHINA
MORNING POST in English 9 May 90 p 10

[By Willy Wo-lap Lam]

[Text] Two prominent associates of ousted party chief Mr Zhao Ziyang have made well-publicised appearances.

In Beijing yesterday, State Councillor Mr Chen Junsheng met Mr Gabriel Rosas Vega, the Colombian Agriculture Minister.

A Colombian delegation was in China as guest of the Ministry of Agriculture.

Mr Chen, 53, a former secretary-general of the State Council, was Mr Zhao's right-hand man in implementing economic reform.

But since the June 4 Tiananmen Square crackdown Mr Chen, whose portfolio is agriculture, has been out of favour.

Analysts say that consistent with the policy of preserving associates of Mr Zhao who have professed allegiance to the hard-line leadership, Mr Zhen will continue to be allowed to take charge of agricultural development.

In another move interpreted as paving the way for the return of a Zhao aide, Mr Wan Jiabao led a high-level party delegation to Cuba.

An alternate member of the party Secretariat and head of the General Office of the Communist Party Central Committee, Mr Wan, 47, was a high-profile member of the party's liberal wing.

Last May Mr Wan accompanied Mr Zhao on his ill-fated visit to Tiananmen Square one day before the declaration of martial law in Beijing.

Chinese analysts say that since June 4, Mr Wan has been upstaged by the newly-appointed Deputy Head of the General Office, Mr Zeng Qinghong.

A former member of Shanghai's ruling party committee, Mr Zeng is the confidante of the party General Secretary, Mr Jiang Zemin.

'Leniency, Generosity,' 'Tolerance' Criticized

HK0905082590 Beijing RENMIN RIBAO in Chinese
27 Apr 90 p 3

["People's Forum" article by Xiao Hong (2556 4767):
"On Leniency, Generosity, and Tolerance"]

[Text] After the idea of "leniency, generosity, and tolerance" was conceived, it was endorsed by some people, and some other people even proposed that one more term meaning relaxation be added to it. However, it also encountered criticism from some people, although they might not be arguing with perfect assurance. Today, I will try to discuss this against many people's opinion, and maybe this shows that I do not understand the times.

A few years ago, some people at home and abroad lavished praise on some comrades in our ranks for their "open-minded," "generous," "magnanimous," and "benevolent" attitude and personality. They were even called a "banner of freedom," "champion of democracy," and "vanguard in mental emancipation." Being flattered, these comrades became more enthusiastic about advocating "leniency and generosity" and were quite content with the idea they conceived. As a result, bad works were allowed to blatantly seek publicity; opinions which challenged Marxism-Leninism and opposed socialism were allowed to spread; and people were allowed to openly mock party and state leaders at

meetings, give lectures and spread leaflets to foment counterrevolutionary sedition, and even support the turmoil and revolt.

Those who tried to earn a good name of being broad-minded and generous for themselves at the expense of the interests of the party's cause, the interests of the people, the state's stability, and social progress could not be regarded as people with a clean soul. Once the people who were hoodwinked came to realize the truth, they would not tolerate such generosity.

Here, I do not mean that it is not good to be broad-minded and magnanimous. Being broad-minded and magnanimous is the demonstration of a person's self-control and moral integrity. So one should always be sensible, considerate, and benevolent toward other people; should treat other people sincerely and magnanimously rather than meanly and unkindly; should not secretly scheme against other people; should be open-minded enough to allow other people to air different and critical opinions; should cherish talents and show no jealousy toward talented people; should be able to unite other people and be good at cooperating with other people; and so on. This attitude is beneficial to our undertakings, to the development of science, and to harmony in interpersonal relations. If the bowstring is always drawn tight and the smell of gunpowder is always strong in interpersonal relations, and if the seriousness of any problem is exaggerated and regarded as principled matters which must be handled in an uncompromising manner, then everybody will feel in danger and people's minds will be shackled again. This is a very dangerous condition, and the mistake during the "Cultural Revolution" must not be repeated.

However, leniency, generosity, and tolerance should all be subject to a limit and a scope. The limit is that the interests of the state and the people are not harmed; and the scope is that prescribed by the Constitution and other laws. Within this limit, things can be treated with leniency and generosity; beyond this limit, leniency and generosity will harm the state and national interests and will lead to the abandonment of principles. A Chinese old saying goes that the sea has a big capacity of accepting hundreds of rivers, and its greatness comes from its big capacity. However, the sea can only accept river water and cannot endure the polluted liquid discharged by some people or crude oil leaking from somewhere no matter how great the sea is. We uphold freedom of thinking and speech and hold that there should be no forbidden zone in academic studies. However, we have a propaganda policy and discipline to determine what can be published. That is, people have the freedom to write whatever they want to write, but we have the freedom to select what is published. Writers bear a responsibility for what they write, and editors bear a responsibility for what is published. Books or articles expressing different opinions within the limits allowed by the Constitution and other laws can be published; but if they advocate reactionary thoughts, propagate sex and violence, or spread misleading rumors, then they cannot

be published. One person can write whatever he wants to write, and this is his own personal business. However, if he wants to publish what he writes to influence other people, especially young people, then he will be subject to the control of the state laws and policies. There is no freedom of speech in absolute terms. Advocating leniency, generosity, and tolerance beyond this limit is nothing but compromise and capitulation on the ideological and political front.

Even in the things being published within the limits allowed by the laws and policies, there is still a struggle between what is right and what is wrong. The questions of whether one thing is true, good, and beautiful or false, evil, and ugly; whether it is materialism or idealism; and whether it is Marxism or non-Marxism should be resolved through the free debates between a hundred schools of thought. In the free debates, there exists ideological struggle. Truth can be developed only through debates. Unprincipled tolerance and the attempt to mix up what is right and what is wrong and to reach a compromise on ideological issues will do nothing positive for academic development.

Some people often took Cai Yuanpei and Fanglong [2075 7893] as examples to prove that tolerance was always good. This should also be concretely analyzed. Cai Yuanpei's practice of incorporating scholars of different schools in Beijing University existed against a special historical background. That is, in those years, the feudal ideology was virtually untouched. Cai Yuanpei also showed his obvious bias for science and democracy. To incorporate scholars of different schools, Cai Yuanpei first "incorporated" Chen Duxiu and a large number of new scholars. At that time, Lin Shu was an influential scholar, but he was not invited to teach at Beijing University. American scholar Fanglong wrote a book entitled "Tolerance," and he held that people should "be allowed to speak and write what they like" and "to print what they want to publish." However, he was not so tolerant of the proletarian revolution and the Marxist theory. When he called for "allowing them to speak and write what they like," he also said "so long as they do not disrupt other people's well-being, do not disrupt the rite of civilized society, and do not violate the rules laid down by the local police," and he even required the authorities to investigate the pornographic magazines and newspapers published for selfish interests. This showed that his tolerance was also conditional.

The domestic "elites" were hypocritical when they went all out to advocate "leniency, generosity, and tolerance." A few years ago, the authorities were tolerant enough of the liberalist tendency in the literary and art circles, but did they show any tolerance toward the revolutionary literature and art? They negated Mao Zedong's speech at the Yanan Literature and Art Forum, negated revolutionary literature and art as a whole, and even negated the revolution as a whole. In the period of turmoil and revolt last year, did the bourgeois journalistic institutions and the bourgeois governments in the West show any tolerance toward us? They went all out to fabricate

and spread rumors and even imposed economic sanctions against China. Was there any shadow of tolerance in such practice?

In history, no other class is as broad-minded and magnanimous as the proletariat. The class status of the proletariat determines that they must emancipate all mankind before they can eventually emancipate themselves. The proletariat shoulders the most magnificent cause in human history, that is, the communist cause, which requires the dedication of hundreds of millions of people. We hold that we should unite as many people as possible. We are tolerant of those who can correct their mistakes and we also give chances to criminal offenders to turn over a new leaf. This demonstrates our broad-minded and magnanimous attitude in real terms.

XINHUA Features Information on Nationalities

On Oroqen Nationality

OW0805143490 Beijing XINHUA in English
1136 GMT 8 May 90

[Part 18 of the XINHUA series of articles: "Knowledge About China"]

[Text] Beijing, May 8 (XINHUA)—The Oroqen nationality has a population of some 4,400. They mainly live in the Inner Mongolia Autonomous Region and Heilongjiang Province.

The name "Oroqen," meaning "people on the mountain range," originated from the fact that many of them used to live in the greater and lesser Xinggan Mountains in Heilongjiang Province.

The Oroqens used to be mainly hunters. With a horse, a rifle and a hunting dog they would chase deer in the vast forests all year round.

Before they settled down in permanent houses in the 1950s, the Oroqens were a nomadic people. Now they are engaged in both hunting and animal breeding.

The Oroqens believe in shamanism, a primitive religion and worship natural objects. They have their own spoken language, but without a written form. Most of them are able to communicate also in the Han (Chinese) language.

The Oroqens have a rich store of folktales handed down orally. Most of their songs are in praise of nature and love, and their dances depict hunting and gathering. Carnivals are held on festivals and on their return from hunting.

The Oroqens are good at engraving on birch bark and embroidering on animal skins.

On Ewenki Nationality

OW0905100490 Beijing XINHUA in English
0806 GMT 9 May 90

[Part 19 of the XINHUA series of articles: "Ewenki Nationality"]

[Text] Beijing, May 9 (XINHUA)—"Ewenki," meaning people living in the forest, is what the ethnic minority people call themselves. They were also called "Suolun" and "Tonggusi" in the past.

The 19,300 Ewenkis are concentrated in the Inner Mongolia Autonomous Region and Heilongjiang Province in China's northeast.

Most Ewenkis are engaged in animal husbandry. The others are primarily farmers and hunters. The Ewenki is the only nationality in China that breeds reindeers, and uses them for hunting.

The Ewenkis have their own spoken language, but no written form. The Mongolian language is widely used by Ewenki herdsmen, while Chinese is commonly used by Ewenki farmers.

Most of the Ewenkis are shamanists. Ewenki herdsmen believe in both shamanism and lamaism.

The ewenkis are hospitable and delight in entertaining guests.

One of their major festivals revolves around worship at aobaos, ubiquitous rock piles that serve as a focus for religious and social activities. Aobao fair activities include horse-racing, wrestling, marksmanship competitions and skiing.

The Ewenkis have a very rich folk tradition with many legends, fairy tales, proverbs and riddles. Their sweet folk songs reflect their bravery, simplicity and honesty.

Pluralism Repudiated as 'Weapon' of 'Elite'

HK0805142090 Beijing GUANGMING RIBAO
in Chinese 10 Apr 90 p 3

[Article by Li Zheng (2621 1767), abridged by RENMIN RIBAO: "Pluralization and Liberalization"—originally carried in DANGDAI SHICHAO, No. 2, 1990]

[Text] Belief in either "pluralism" or "monism" in certain spheres of research in social life may fall into the category of academic thinking. For some time past however, so-called "pluralization" as advocated in a big way by some of the "elite" was actually their ideological weapon in opposing the four cardinal principles and pursuing bourgeois liberalization. Consequently, there has been an ideological and theoretical confusion of sorts that must be clarified.

I.

Generally speaking, the concepts and theories of "monism" or "pluralism" in philosophical, social, and

historical theories are applied to demonstrating or expounding the origin and nature of the world and society. However, such theoretical character is absent in the so-called "pluralization" or "pluralism" referred to here. In fact, the "pluralization" that some of the "elite" have taken delight in talking about cannot be counted as theory. The "pluralization" they referred to was a theoretical slogan by nature, more often than not aimed at: instigating deviation from the party, socialism, and Marxism; asserting their independence from the party; and pursuing "total Westernization" in China. In the flood of speeches in this category, some of these people occasionally laid bare their intentions. One of the "elite" said that the "pluralization" they referred to was characterized by "a three-tier implication in the order of depth": "Independence of economic, intellectual, and press circles is pluralism or social pluralization of a basic nature; a multiparty or multifunctional system is a kind of structural pluralism or political pluralization; and balance of power is functional pluralism or pluralization of power." He added: "Linked to China's actual conditions, we believe what is most important is not the functional pluralism in the embodiment of balance of power, nor is it structural pluralism characterized by multiparty or multifunctional pluralism, but the basic independent pluralism of various circles. We should promote such social pluralism on the basis of down-to-earth research. Political and power pluralization will naturally grow out of such social pluralization."

Obviously, the explanation of three-tier "pluralization" by this "elite" element may sound absurd but has unmistakably revealed the reactionary nature of this theory. His placing of the "promotion" of basic pluralization above all else has revealed the principle of their reactionary strategy in pursuing "pluralization."

The reactionary nature of so-called "pluralization" found expression in the following: First, the so-called "basic pluralism" or "social pluralization" aimed at encouraging the "elite" in the economic, intellectual, and press circles, other circles in society as well as those under their ideological influence, to refuse obedience to the party leadership and the guidance of the socialist system and Marxism, and to cultivate a social base for "liberalization." In other words, they attempted to create a so-called "middle class," or "bourgeoisie," independent of the socialist economic relations, to push forward economic privatization and a market-oriented economy. It was also their aim to cause the "elite" of the intellectual circles, and those people lacking faith in socialism, to shun Marxist ideological guidance while accepting and spreading decadent and moribund Western bourgeois ideological, cultural, and value concepts to contaminate people's souls. Moreover, they attempted to seize and control the apparatus of public opinion, to dump the principle of party spirit of the press, and to create public opinion for bourgeois liberalization. On 1 January 1989, Feng Lizhi wrote an article for the New Year's Day Special Supplement of Taiwan's UNITED DAILY, in which he quoted a deputy editor-in-chief of a Guangdong paper saying that the paper in

question "will not become the CPC's mouthpiece BUT will become the mouthpiece of the rising middle class in Guangdong." This showed what the advocates of "social pluralization" were aiming at in "studying and promoting" the "independence of various social circles."

Second, the so-called "structural pluralism" or "political pluralization" means opposition to the CPC's political leadership in socialist modernization. They were in favor of pursuing a Western multiparty or multifunctional system, namely, shaping a political opposition in organizational form in China, a bourgeois political party, and becoming the core of anti-Communist political forces with "total Westernization" as their end while replacing the CPC's leading role. They basically nullified the CPC as a political party of the Chinese working class and the basic fact that the Party's program, lines, principles, and policies embody the general trend of historical development and the basic interests of the working class and people nationwide. On the contrary, they slung mud at the CPC's political leadership saying that the CPC "views the entire state power as the private property of a single political party and faction of its own." In actual fact, they vainly attempted to organize a bourgeois political party to contend with the CPC, eventually replace it, and to take power. Then they would change the entire state power in China into one stamped with the so-called "middle class" and the "private property of a single party or faction" of the bourgeoisie.

And third, so-called "functional pluralism" or "power pluralization" means copying the pattern of the U.S. bourgeois state power intact, to implement the division of power between legislature, judiciary, and administration. This shows that those advocating "pluralization" have endeavored to follow the example of the United States to build a bourgeois state system, or state power. Moreover, the practice of Western capitalist countries should be copied intact regarding the form of government, namely the organizational pattern of state power and the operation of the power mechanism. In other words, the so-called "pluralization" aims exactly at toppling our socialist republic of the people's democratic dictatorship, to evolve into a bourgeois republic depending on the West through "total Westernization."

This shows that the slogan "pluralization," which is tinted with some theoretical color, contains the basic political essence of pursuing bourgeois liberalization, namely "total Westernization" in China. Therefore, the so-called "pluralization" was an ideological weapon of the liberalization "elite" to attack the party, socialism, and Marxism. We must point out here that the three-tier theory on the nature of "pluralization" by the "elite" element was fully revealed in an article published on 27 February 1989. At that time, the political turmoil was fermenting. Therefore, the strategic principle was confined to making preparations for organizing and public opinion for the turmoil. They set great store by the so-called "basic pluralism," namely, instigating the "independence of various circles" in society or "promoting social pluralization with down-to-earth research." As

last spring turned to summer, when they were creating political turmoil and counterrevolutionary riots in Beijing, they were blinded by the lust for gain. They regarded the entire political connotations included in "pluralization" as the political goals and put them into action as best they could. At that time, Wang Dan, as one of the organizers and conductors of the turmoil and riots said that their minimum goals were official recognition of the legitimacy of the "College Students Autonomous Federation," a reversal of Fang Lizhi's case, and the right to run nongovernment newspapers. The supreme goal was to initiate a plural government system to realize government by the elite. This showed that so-called "pluralization" was just the theoretical wrapping for their reactionary political ideas.

II.

As a conceptual expression of bourgeois political demands and social reality, "pluralization" is a hypocritical and superficial theoretical generation. The fact that "pluralization" had been a popular theoretical slogan for some time past bewildered many people and caused some to echo it, without malicious intent, was based precisely in the hypocrisy and superficiality of its theoretical form. So long as we look squarely at reality, and observe the nature of issues, it will not be difficult to see that the "pluralization" they referred to basically does not exist.

In the so-called "basic pluralism" or "social pluralization," the "independence" or "pluralization" in economic circles was the most conspicuous. They had a good idea that the basic changes in the social economic structure would sooner or later lead to changes in the nature of the whole society. Therefore, they hoped that "political and power pluralization" would naturally grow out of the "independence" or "pluralization" of the economic circles. Because economic "privatization" was a more obvious reactionary idea, "economic pluralization" was only an indirect expression of their opposition to the role as the "leading aspect" of China's public ownership. Both theory and facts show that the correct selection is adherence to an economic structure with multiple economic factors, with public ownership as the major aspect today and for a considerably lengthy period in the future. However, the "elite" would not rest satisfied with the "complementary" role of the private economic sector. The primary aim of their advocating "economic pluralization" was for the private economic sector to shed dependence on the public ownership economy, to equalize the two economic factors, to contend with each other, and finally to realize "privatization." To achieve this, they published the "Declaration on Private Ownership" and designed varied projects for "the privatization of state properties." In his recent book "The Great Failure," Brzezinski, former U.S. national security adviser, stated that "that is the starting point for the transition to a social system with private enterprises characterized by free management as the chief aspect" and expressed his earnest hope that China would evolve into a "country free of public ownership." This shows

that the "economic pluralization" referred to by the "elite" in expressing the goal and nature of "privatization" was self-contradictory and hypocritical.

However, such fraudulent talk did result in theoretical and ideological confusion. Consequently, some innocent and naive people also attempted to explain and demonstrate economic changes resulting from reform from the angle of "pluralization." For example, some people regarded the economic structure characterized by the coexistence of multiple economic factors, with public ownership as the major aspect, which have taken shape in economic reform as "economic pluralization." This was a misunderstanding. In the socialist economy, the public ownership economy is the chief aspect while the individual economy, and the private sector economy, can only be the necessary complement to the public ownership economy. The relationship of the latter to the former can only be subordinate and not coordinative. For another example, others regarded interest bodies, and groups with relative independence, which surfaced in the socialist commodity economy as interest or economic "pluralization." That was improper, too. True, every enterprise or enterprise group has its own peculiar interest as commodity producer and manager. However, as a socialist organization and enterprise, it has only relative independence in the interest structure. In other words, in acknowledging and showing respect to the legitimate rights and interests of those interest groups, it is imperative to adhere to the principle that the interests of the part must be subject to the interests of the whole situation and immediate interests must be subject to long-term interests. The interests of the state and the people are above all else. Therefore, the theory of interest or economic "pluralization" does not hold water. Even the practice of categorizing such phenomena into "economic pluralization" would result in theoretical confusion because such "economic pluralization" would also lead to ideological, cultural, and political "pluralization."

III.

In their so-called "social pluralization," the "elite" regarded the "independence" of the ideological and cultural circles, including the intellectual and press circles, as "basic pluralization." To our minds, the practice of classifying conceptual forms such as ideology and culture into a political basis and power structure, falls into the category of idealistic historical concept. In actuality, the "elite" did pursue the so-called ideological and cultural "pluralization" by spreading Western bourgeois decadent and moribund ideology and culture, and its value concept, all of which serve as the vanguard for toppling the socialist system.

In dealing with ideological and cultural "pluralization," the "hot spot" of the advocates of "pluralization" was the belief that Western ideology and culture, represented by the United States, are plural. Therefore, they want to pursue ideological and cultural "pluralization" in China without exception. The question is whether or not such

"pluralization" exists in capitalist countries. What does it signify to pursue ideological and cultural "pluralization" in China today?

We believe that ideological and cultural "pluralization" is out of the question in a class society and a society where class struggles exist. Historical materialism tells us that thinking and culture as social ideology is the superstructure of the economic base. In ideology, they reflect the requirements of, and render service to, the economic base. In a society where class struggles exist, "a certain class is the material as well as the spiritual force that dominates society and the class that governs material and spiritual production materials. Therefore, the thinking of those people void of spiritual production materials is usually dominated by the ruling class." ("Selective Works of Marx and Engels" Vol 1, p 52.)

In Western countries such as the United States, the bourgeoisie monopolizes massive material wealth while it dominates spiritual production materials and also spiritual production. Although its media and publications sometimes expose the "seamy side" of life and criticize malpractices, such exposition and slashing of the society and political circles, or "exposure" of certain inside stories, are guaranteed not to touch the basic interest of the bourgeoisie. Even if Marxist doctrine and publications are allowed in some Western countries, the domination of bourgeois ideology, culture, and public opinion is overwhelming. Therefore, viewing the class nature in depth, the ideology, culture, and public opinion in Western countries—including the United States—are "unified" with "unified public opinion" but not "pluralization."

But likewise, when the working class becomes the ruling class in a socialist society, its thinking and culture must be the conscious ideology, world outlook, outlook on life, and value concept of the working class. Under the guidance of the proletarian ideological system—namely Marxism—all forms, style, and schools of socialist thinking and culture will prosper and guidance will be given to public opinion and propaganda. These are precisely the objective requirements for establishing, consolidating, completing, and perfecting socialist economic relations and for developing social productive forces. They represent the basic interest of the working class and conform to the interests of all people and social progress. True, effects of feudalism, capitalism, and small producers exist in our society, but they are backward, decadent, and moribund. To build socialist ideology and culture, all rational elements of old ideology and culture should be critically absorbed, referred to, and transformed while resisting their erosion in ideological struggles and promoting their extinction. Likewise, so-called ideological and cultural "pluralization" does not exist nor should it be advocated.

However, some of the "elite" slung mud at the Marxist guiding role in China's ideological and cultural circles, saying that it was the "cultural dictatorship" which

forbid their "free thinking" and pursues "unified" structure in ideology characterized by "worshiping a single idol." They clamored: "A monopolized ideological pattern, like a monopolized economic one, has no way out and must be changed." They advocated "omnidirectional opening up to the West;" voluminous imports of Western bourgeois value concepts, such as "liberty, democracy, and human rights; and initiating the so-called "new enlightenment movement" in China while beautifying it all as "pluralization."

In recent years they have called for "weakening ideology" to hold sway on the ideological and cultural front and held back the publication of articles and works propagating Marxism and socialism. On the other hand, they have magnified instilling bourgeois ideology and culture and turned on the green light for the flood of so-called "new ideological trends" of every description. Even an American anti-Communist thinker said: "The new tricks in ideology have helped opened the gate to China and enabled a flood of Western new ideological trends." Moreover, things that have "fascinated" Beijing's ideological circles "basically fall into the category of value concepts stamped with capitalism." The fact that some of the "elite" have beautified these with "pluralization" is sheer hypocrisy! Theirs is a two-fold purpose: First, to shun the Marxist guiding role in ideological and cultural circles to fight for the legitimacy of peddling Western ideology and culture; and second, in an attempt to replace socialist ideology and culture with capitalist ideology and to create public opinion for toppling the socialist system. In short, the "pluralization" of ideology and culture is precisely an evolution to capitalism and bourgeoisness.

Science & Technology

Song Jian on High Technology Development

OW0505111890 Beijing XINHUA Domestic Service
in Chinese 1209 GMT 30 Apr 90

[By reporters Xu Bo (1776 3134) and Wang Wenjun (3769 2429 0193)]

[Text] Chengdu, 30 Apr (XINHUA)—A strategic briefing on high technology and new materials was held today in Chengdu. Song Jian, state councillor and minister of the State Science and Technology Commission, spoke at the meeting. He stressed: The development and take-off of China's economy should rely on science and technology and on the constant infusion and expansion of high and new technologies in enterprises.

Song Jian pointed out: We should be fully aware of the importance of developing high technology and accelerate the pace of our country's research and exploration into high technology. He said: Since 1986, China has placed emphasis in its research and development plan for high technologies in bioengineering, electronics information, space, laser, automation, energy, and new materials. After three years of effort, we have attained a number of

international-level research results in new materials and in other areas and greatly reduced the gap with foreign countries.

Song Jian said: In order to better implement the "863" high technology research and development plan in the future, we should further bring into play the role of the "863" plan as an impetus to the development of our country's science and technology; we should, through various means, unite and lead scientific and technological circles, so that they will work hard for the development of our country's scientific and technological undertakings; we should strengthen the linkup between the "863" plan and other related plans; we should solicit support from industrial circles; attention should be given to raising investment effects; we should attach importance to and strengthen basic research into new materials.

Song Jian stressed: In the plan for research and development of high technology, we should boost the capabilities of large and medium enterprises in absorbing and assimilating high and new technologies. He said: Our country's large and medium enterprises are the backbone of China's economic development. Only by fully bringing into play their role as that backbone can we stabilize the overall situation of the national economy and realize its sustained, stable, and coordinated development. We should determine to bring about enterprises' devoting more attention to science and technology; we should step up work on the establishment and improvement of research facilities in enterprises and help them raise their research capabilities and level of scientific and technical personnel. We should give strong encouragement to large and medium enterprises on investing in high technology, operating high technology and technology research facilities, and developing high technology products. We should, by fully taking advantage of the opportunity presented by economic retrenchment, guide scientific research organs in the direction of developing high technologies.

In conclusion, Song Jian said: In international exchanges of science and technology, we should learn from each other and compete with each other. We should, on the basis of self-reliance, make great efforts to guide and promote the international development of high and new technology industry.

New Generation of Satellites To Be Developed

HK0805115990 Beijing RENMIN RIBAO in Chinese
25 Apr 90 p 1

[Dispatch by reporter Zhang Heping (1728 0149 1627): "China Steps Up Research and Development of New Generation Satellites"]

[Text] Beijing 24 Apr (RENMIN RIBAO)—China has increased research and development of a new generation of multipurpose satellites. In the second half of this year, China will launch three satellites using its own Long March [CZ] carrier rocket. The new telecommunications

satellite "The East Is Red III," which is still under research, will be launched in the early 1990's. China is also stepping up research and development of new CZ-type carrier rockets. This reporter learned this from the "Symposium on Space Technology and National Economic Construction To Mark the 20th Anniversary of the Launching of China's First Artificial Satellite," which opened in Beijing today.

It was disclosed that China is researching and developing a new generation of multipurpose satellites comprising large-capacity telecommunications and broadcast satellites, meteorological satellites of various categories, multipurpose resource surveying satellites, and other satellite systems urgently needed in national construction. It is forecast that the variety of satellites will be greatly increased over the 1980's and the information capacity provided by satellites will increase a hundredfold.

The three launches to be carried out in the latter half of this year will be China's 12th retrievable remote sensor satellite using a CZ-II carrier rocket, the first solar synchronous meteorological satellite using the LZ-4 carrier rocket, and a test flight of a satellite using the newly developed CZ-II with extra booster [kun bang 2190 4834] rockets.

Carrier rockets currently under research and development in China are: the CZ-I D, the CZ-II with extra boosters, and the LZ-III A.

Policy for Developing New Satellites Discussed

OW0905053990 Beijing XINHUA Domestic Service in Chinese 1218 GMT 26 Apr 90

[By reporter Jie Yanzhen (2263 5888 3791)]

[Text] Beijing, 26 Apr (XINHUA)—China's policy for developing multipurpose satellites in the 1990's is designed to meet urgent needs of the state and to improve social and economic results.

The information was disclosed at an ongoing symposium on astronautics technology and national economic development, sponsored by the China Space Navigation Society. Delegates attending the meeting maintained that education and culture, transportation and communications, population and resources, environmental issues and coping with disasters, and important national defense projects present problems in our country that are in urgent need of resolution. Therefore, it is, first of all, necessary for space technology to make contributions with regard to these issues.

—Development of satellite communications and broadcasting systems. Efforts will be made to develop mainly communications and broadcast satellites that have high power, a large capacity, multiple beams, and a long usage life to meet the needs of television education, stationary and mobile communications, and various specialized data, voice, and television broadcasts and transmissions. The new type of communications satellite "Dongfanghong No. 3," which is

currently under study and being manufactured, will be launched in the earlier 1990's.

—Development of a satellite system for monitoring our environment and resources. At present, different types of meteorological and resources satellites at the level of current international standards are being researched and manufactured.

—Development of a satellite system to eliminate disasters. The system includes a synchronized solar orbit satellite and a satellite that remains stationary in orbit for monitoring resources and disasters. Efforts are being stepped up to research and manufacture this kind of satellite system for eliminating disasters in order to coordinate with the international and Chinese campaign to eliminate disasters over a 10-year period.

—Development of a satellite navigation and positioning system. Research and manufacture of a stationary satellite navigation and positioning system that consists of two to three satellites are in full swing.

In addition, priority is also given to a number of special satellite systems and satellites for scientific experiments in the field of building national defense in the 1990's.

Aerial Regiment Completes Yellow River Survey

OW0805084490 Beijing XINHUA in English 0117 GMT 8 May 90

[Text] Beijing, May 8 (XINHUA)—The Yellow River, the cradle of Chinese civilization, is now creating economic and other problems for the people living along its banks due to its wildly fluctuating water levels.

An aerial survey of the river's source, badly needed in order to comprehensively harness it, was extraordinarily difficult as the source lies in the Qinghai-Xizang plateau, notorious for its changeable weather and varied topography.

This painstaking task was recently completed for the first time in history by the aerial survey regiment of China's Air Force.

The regiment, set up in 1954 with only five aerial survey planes, has won fame as the photographer of China's rivers and mountains.

The regiment has flown 50 million kilometers, 60 trips to the moon, in surveying more than 18.3 million square kilometers.

With four general photographic surveys of the country's territory, the regiment has provided the first-hand material necessary for drawing the first three-dimensional map of China.

The efficient and capable performance of the regiment in a recent joint aerial survey of the long Sino-Soviet border won praise from its Soviet counterpart.

An officer of the regiment said they are working hard to make their surveys more scientific and precise.

Increased Membership in International Groups

OW0805203190 Beijing XINHUA in English
1407 GMT 8 May 90

[Text] Beijing, May 8 (XINHUA)—China had joined 187 international nongovernmental science and technology organizations by the end of 1989, according to the China Association for Science and Technology (CAST).

In addition, 350 Chinese scientists and scholars hold important posts in these international organizations such as the posts of chairman and vice chairman.

Since 1978, when China started to adopt the policy of opening to the outside world, exchanges in science and technology between China and other parts of the world have been increasing rapidly. The country has since joined many important international organizations, including the world petroleum congress and the world federation of engineering organizations.

In 1982 CAST officially joined the International Council of Scientific Unions (ICSU). In the following four years it joined all the 20 specialized federations and 14 committees under the ICSU. These increasing international exchanges in science and technology have helped China solve some of its scientific and technical problems. Besides, they have provided Chinese scientists with opportunities for displaying their talents on the world stage of science and technology, according to CAST.

Economic & Agricultural

Commentator's Article on Rural Enterprises

HK0805143090 Beijing RENMIN RIBAO in Chinese
26 Apr 90 p 1

[Commentator's article: "Support and Guide Development of Rural Enterprises Along a Healthy Path"]

[Text] The township and town enterprises, which are reputed as "grass-roots industry" [cao gen gong ye 5430 2704 1562 2814], have undergone a stern test. In the course of economic improvement and rectification for more than a year, their growth speed has been obviously lowered; their production structure has been rationalized; and their enterprise quality has been further enhanced. These are the results of the efforts of governments at all levels and the broad masses of peasants in acting according to the needs of the overall interests.

Admittedly, like many state-owned large and medium-sized enterprises, most township and town enterprises in our country have also encountered a shortage of funds, the market slackness, and other serious difficulties. At present, it is necessary to adopt effective measures to help them tide over the predicament. This is of great importance for keeping the rural economy and the local

economy stable and for ensuring the development of the national economy as a whole.

All workers in township and town enterprises hope that society will fairly evaluate their enterprises. In the previous period, because people's understandings of the township and town enterprises were different in degree, and people adopted different approaches toward the township and town enterprises, there existed different opinions on such enterprises in various departments, in various social strata, and in cities and the countryside. This was a normal phenomenon. However, facts have shown more and more clearly that China's countryside cannot do without these enterprises and China's economic development and four modernizations cannot do without these enterprises. As Premier Li Peng recently pointed out in his government work report, "township and town enterprises have played and will continue to play a more and more important role in developing the rural economy, increasing jobs, and raising the peasants' living standards." "The development of collective enterprises in townships and villages will lay the necessary material foundation for increasing peasants' income, providing social security in the countryside, developing rural education undertakings, consolidating grass-roots governments, and promoting the construction of spiritual civilization." This was a realistic evaluation of the position and role of the township and town enterprises. Our understanding should be unified and brought into line with this thesis. Only thus can we distinguish the predominant aspect of the development of the township and town enterprises from the nonessential aspects. Then, we can understand that such problems as duplicated construction, high consumption of energy, and the poor quality of some products were mainly caused by their lack of experience and their weak foundation. With the deepgoing development of economic improvement and rectification and with the improvement of the management system, these problems can be solved gradually. In particular, when the township and town enterprises are facing serious difficulties, we should pay more attention to their huge contributions to the state and their indispensable roles in enriching the market and enriching the people's lives, and should fully affirm their roles as major forces in increasing foreign exchange earnings and their weighty positions in supporting and promoting agricultural production, thus encouraging the more than 90 million workers in the township and town enterprises to work hard and brave the difficulties.

Of course, in order to ensure that the township and town enterprises will develop healthily and maintain an appropriate growth rate, all quarters concerned should still give concrete assistance and support in various fields. Comrade Li Peng pointed out in his government work report: "The township and town enterprise are now facing many difficulties, and the governments at all levels should support and guide them." "Various localities should adopt various forms in light of the different developmental level of productive forces and the requirements of the state's industrial policy to develop

township and town enterprises." The central policy is explicit, so all departments and all localities should formulate their own concrete policies for supporting township and town enterprises according to this guiding policy. The pressing task now is to adopt measures to help the existing enterprises tide over difficulties, especially those with good economic results. Then, consideration can be given to their further development according to different local conditions and the spirit of the central policies. In general, local governments have closer financial and interest relations with the township and town enterprises, and should thus take more initiative in supporting them. Now, we should particularly remind some departments concerned. The healthy development of township and town enterprises cannot do without the support and assistance of various departments concerned. It is hoped that the departments concerned should proceed from the overall interests of keeping the rural economy and the national economy stable and more enthusiastically take the initiative in supporting township and town enterprises, thus ensuring that the hundreds of millions of peasants will permanently maintain their enthusiasm and creativity for developing industry and the rural economy mainly by relying on their own strength.

Township and town enterprises should also squarely face their own weaknesses and continue to deepen reform and improve the enterprise management contract system under the favorable conditions of economic improvement and rectification. They should consciously follow the requirements of the state industrial policy and further adjust their production structure. They should make more efforts to upgrade management and technology and should shift extensive development to intensive development by replacing the strategy of increasing output value with the strategy of improving economic results, thus rising to a new higher stage.

Township and town enterprises represent a great and promising cause. We believe that with the in-depth development of economic improvement and rectification, township and town enterprises will certainly keep pace with the sustained, stable, and harmonious development of the national economy and will step up to a new stage of healthy development.

Intellectual Property Regulations Debated

HK0805124090 Beijing GUOJI SHANGBAO in Chinese
14 Apr 90 p 3

[Article by Zhou Hanmin (0719 3352 3046): "Influence on China of GATT and Intellectual Property"]

[Text] First, Characteristics of Intellectual Property

Most countries in the world acknowledge that intellectual property is a kind of invisible property right and has the characteristics of a property right. Therefore, they not only have successively formulated domestic laws to protect it, but they have also concluded a series of

international conventions and treaties to form an international system for protecting intellectual property. In terms of law, intellectual property has the following three common characteristics:

1. Exclusiveness. This is the basic characteristic of all property rights. Without the endorsement of the owner or the stipulation of the law, no other people can enjoy or use the property right; otherwise, the action is an encroachment upon the intellectual property, and those who encroach upon the intellectual property will have to bear the legal responsibility and must compensate the property owner for the losses. Those whose cases are serious will even be charged with criminal offenses. In ordinary cases, only through the legal procedures of "compulsory permission" and "requisition" can the exclusive right of the property owner be changed.

2. Space. The patent right, trademark right, and copyright given by a state are protected by the laws in the territory under the jurisdiction of this state and cannot be protected in other countries. No state has the duty to protect the intellectual property of other countries. Therefore, if the owner of the intellectual property in one country wants to maintain his exclusive property right in other countries, he must also file applications in other countries. Only with the examination and approval of the government departments concerned in another country can his property right also be protected by the law there. For citizens in the countries that did not sign the international conventions or treaties on protecting intellectual property, their property rights can only be protected inside their own countries.

3. Time. The laws in various countries generally set certain time limits for the protection of industrial property rights. Within the time limits, the owner of certain property enjoys the exclusive right to possess the property, but the time limits of the intellectual property will become public property and can be used freely by anybody, and the holder of the property right will no longer be able to prevent this. The laws in various countries do not stipulate the time limits for the validity of the exclusive intellectual property rights in the same way. In general, patent rights are defined strictly to certain time limits and cannot be renewed in principle, but the trademark rights normally can be prolonged according to the requirement of the right holder.

Second, the Existing Legal System for Protecting Intellectual Property and Its Deficiencies

Intellectual property has become more and more important for a country's economic development, and the necessity of using laws to protect such property has become more and more obvious and urgent. At present, most countries in the world have successively formulated the patent law, the trademark law, the copyright law, the applied new design law, the outlook design law, and a series of special laws for preventing improper practices in competition. At the same time, they have

concluded a series of international conventions for protecting intellectual property.

Although the formulation and development of the domestic and international legal systems for protecting intellectual property can be traced back several hundred years, there are still some obvious deficiencies. At least, urgent improvements should be made in the following aspects:

1. The deficiencies in the international system for protecting intellectual property: 1) The number of signatory countries is too small, thus making the conventions lack effectiveness; 2) No corresponding executive organ has been set up to coordinate legislation and policies of various countries; 3) No effective methods are used to resolve disputes; 4) The relevant laws only cover a limited scope and fail to keep pace with the development of high technology in the world; 5) There are substantial differences in the principles and measures adopted by various countries for protecting the intellectual property rights of foreign natural and legal persons.

2. The deficiencies in protecting patent rights. Because the agreements signed between various countries did not define and specify rights and the principles for control, and they were merely based on the national treatment principles and the relevant applied laws, this brought about the following problems: 1) Many countries did not formulate their patent laws; therefore, many cases of encroaching upon patent rights occurred; 2) unreasonable restrictions were imposed on the terms for patent applications; 3) the patent terms are insufficient, and the laws in many countries and the international conventions do not protect the patents related to chemical products, medicine, and farm products; 4) the restrictive systems for examination and approval force applicants to accept some unreasonable requirements, but the applicants cannot get sufficient compensation; 5) the special stipulations on the procedures for patent application in various countries often bring about trouble—for example, some countries take "the time of invention" as the standard, but other countries take "the time of registration" as the standard, and this often gives rise to disputes; 6) it is not unusual that the patent laws in some countries are not effectively enforced or are not enforced at all; 7) patents can easily be damaged, and it is hard to protect the patented interests.

3. The deficiencies in the protection of copyright. The events of encroaching upon international copyright occurred frequently and became a serious obstacle to the normal development of international trade. The main problems in this aspect are: 1) Many countries have no copyright law or do not take effective measures for protecting copyrights; 2) in many countries, the copyright law is not effectively enforced, or there are many difficulties in its enforcement; 3) the "pirate" activities of encroaching upon copyright are rather rampant and have not been effectively checked; 4) the applicable scope of the copyright law is too narrow, and this affects

the effectiveness of using law to protect some new-type publications, such as computer software.

4. The deficiencies in the protection of trademarks. The problems in the field of using laws to protect trademarks are more prominent, and the main problems are as follows: 1) the scope of trademark protection is limited to too narrow a scope, and it is not unusual that service signs are abused; 2) forging trademarks has become an international "profession" and has caused international threats and harmfulness; 3) the means and measures for protecting trademarks are outdated; 4) the different regulations on trademark registration have made it possible to encroach upon the trademark rights.

Third, the Discussion About Intellectual Property in the Uruguay Round and the Agreement That May Be Concluded

Because it was urgently necessary to establish a worldwide legal system for more effectively protecting intellectual property, and also because the issue of intellectual property became more and more relevant to world trade, in the preparatory stage of the Uruguay Round, some developed Western countries, especially the United States, insisted that the issue of intellectual property be included in the 14 topics to be discussed in the multilateral trade talks in Uruguay and be taken as one of the three new major topics. The ministerial meeting of GATT in September 1986 accepted the U.S. proposal and officially began the preparatory work for concrete talks.

In the field of formulating regulations on intellectual property, GATT encountered huge difficulties. First, it was hard to set the lowest international norms for protecting intellectual property. In October 1987, the U.S. delegation pointed out that the talks about the norms for intellectual property should not take the agreements concluded by various intellectual property organizations in the world and the international copyright agreement as the sole foundation; on the contrary, all countries concerned should reach a consensus on more effective and unified norms through the talks in Uruguay. However, the conclusion not only required the developed countries to coordinate their actions, but also required the support from developing countries. Second, it was very difficult to assure all GATT signatory countries that the proposed regulations on protecting intellectual property will be favorable to all of them and to the improvement of the international trade system as a whole. On this issue, the signatory countries were far from reaching a consensus. Third, for the countries that proposed regulations on protecting intellectual property in GATT, it is very difficult to assure other countries that the regulations will also be in their own interests. The position of the United States has been supported by such developed countries as the EC countries, Canada, Japan, Australia, and New Zealand, but there are differences in the opinions of the developing countries. Brazil, India, and other countries resolutely opposed the U.S. proposal, but other countries supported it to various

degrees. The economic theory on protecting intellectual property has not been accepted by all developing countries, because for most developing countries, before they acknowledge the interests of the developed countries, they must first ensure their own competitiveness and foundation, that is, their ability to develop new technologies.

Because the developed countries were all concerned about the issue of ensuring international protection of intellectual property and some developing countries also changed their attitude and began to support the position of the developed countries, since 1987, although the talks about the regulations on the protection of intellectual property remain arduous, progress has been made steadily. In the Uruguay Round, the talks about intellectual property will deal with the following issues:

1) The applicability of the basic principles of the general agreement and the agreements and treaties concerning the international protection of intellectual property; 2) the applicability, scope, standards, and principle terms of the terms on trade-related intellectual property; 3) consideration being given to the laws and systems in various countries when the terms on effectively enforcing the measures for protecting intellectual property are formulated; 4) the procedures and relevant terms for rapidly and effectively settling the disputes between governments (including the applicability of the procedures prescribed by the general agreement); 5) the transitional arrangements for the implementation of the results of the talks in the maximum scope.

At the recent midterm conference, the ministers agreed that consideration should be given to the opinions put forward by various countries in the talks about the policy objectives of protecting intellectual property (development objectives and technical objectives). They stressed the need to relax the tense atmosphere on the issue of intellectual property through the multilateral procedures for settling disputes over intellectual property. At the same time, the Uruguay Round will also deal with the principles and the framework of regulations on checking the trade of counterfeit goods. The talks are required to strengthen relations between GATT on the one side and various international intellectual property organizations and other relevant international organizations on the other side so that the two sides can support each other.

This shows that the Uruguay Round is very likely to conclude a set of international regulations on protecting intellectual property before the talks conclude by the end of this year. Because the United States initiated the discussion of this issue, the U.S. representative will continue to exert influence throughout the entire Uruguay Round in an attempt to base the talks on the acceptance of the U.S. conceptions and policies. Late last year, U.S. Trade Representative Carla Hills stated in an open speech in Europe that because intellectual property was not fully protected, the software designers, pharmaceutical companies, and other exporters suffered losses

of over \$40 billion each year, and their European counterparts also suffered losses of several billion dollars more than the American companies. Therefore, action must be taken to protect intellectual property. In 1988, the United States proposed that all countries' representatives in the Uruguay Round jointly draft a set of regulations on giving international protection to intellectual property and that the basic contents of the regulations include the following points: 1) protect the patent rights related to medicines, chemicals, and other products; 2) protect the copyright of recording disc and tapes and computer software; 3) protect the commercial secrets related to manufacturing technologies and relevant data; 4) take effective measures to check the forging of counterfeit trademarks and the encroachment upon the copyright of books, films, and recording disc and tapes. The proposal has been discussed intensively and has drawn positive consideration. It seems that the regulations will be concluded before long.

Fourth, the Legal System for Protecting Intellectual Property in Our Country and the Proposals for Improving It

Since our country adopted the policy for reform and opening up in 1979, we have achieved marked results, which were acknowledged by the whole world, in establishing and perfecting the foreign-related economic legal system. The nearly 500 existing foreign-related economic laws and regulations, the framework for using laws to protect industrial property rights, has initially taken shape.

Since China applied for the restoration of the signatory status in the GATT in July 1986, we have given a series of new considerations to further improving the legal measures for using laws to protect intellectual property, but some concrete steps must be taken in the future:

1. Further revise our country's patent law in light of the international practice, properly prolong the valid time for protecting the patent rights in light of our country's concrete conditions, and expand the scope of patent right protection. In this regard, we may take the evolution process of Japan's 1959 and 1975 patent laws as reference and also take the law practice and standards in other developed countries as reference.

2. Further revise our country's trademark law. Not only should we consider the expansion of the protection scope of the trademark law to the protection of service signs and logos, but we should also impose more severe legal penalties on those who use counterfeit trademarks. In this regard, the U.S. trademark law should be taken as reference.

3. Formulate a copyright law in line with international practice as soon as possible and effectively resolve the issue of using laws to protect computer software, which is increasing rapidly. This is not only a necessary step for perfecting the legal system related to intellectual property, but is also a major measure for improving our

country's international image. So we must fulfill this task without further delay, and we should promulgate the law as soon as possible.

4. Formulate a law to check and prevent irregular competition in the scope of the whole country, thus bring economic activities onto a path specified by the legal system and creating a favorable social and legal environment for enterprise development.

Local Protectionism Hampers Product Diversity

OW0805232390 Beijing XINHUA Domestic Service
in Chinese 0815 GMT 8 May 90

[Letter from XINHUA reporters Gu Wan Ming (7357 8001 2494) and Li Wenchuan (2621 2429 1557): "A Closed Market Is Not Conducive to Adjustment of the Product Mix"]

[Text] Guangzhou, 8 May (XINHUA)—Since this spring, we have visited some cities and found that a phenomenon characterized by "two too many" has appeared in the markets of some localities. One phenomenon is too many kinds of products handled in various localities. The other is too many old-style products. The main reason is the appearance of new local protectionism.

It has been learned that because of the sluggish market and the large quantities of commodities in stock, many localities have adopted measures of one kind or another to protect their own products and to restrict the entrance of outside products into the local market. Some provinces have designated over 100 products that they can produce locally as items that are not allowed to be supplied from other localities to their market. A city in northwest China does not allow its commercial departments to sell goldplated pens and ballpoint pen cartridges made in other localities for fear that they will take away the market for local products. Flavorings produced in Guangzhou have long been well received by enterprises in various localities. Some enterprises in a certain city ordered 100 metric tons of flavoring from Guangzhou. Later, the city department concerned interfered and refused to allow the supply of these products into the city because it feared that the outside products would adversely affect the market for locally made products. As a result, the orders were canceled, and the long relations of cooperation between the two cities were discontinued.

There are a variety of ways to close the market to outsiders. Some cities allow as much as nine percent difference between the wholesale and retail prices of locally made products, but only five percent difference for commodities supplied from outside. This makes it unprofitable for other localities to sell their products in these cities, thereby preventing their products from entering the local markets. In addition, some provinces and cities have imposed extra fees of one kind or another on sales of products supplied from other localities.

Closing markets to outside suppliers has artificially broken the ties between markets in different localities. Some people in the economic circles believe that new local protectionism has provided a local protective umbrella for backward products. As a result, these backward products are not eliminated from the market, and the product mix cannot be adjusted. They hope that barriers among different localities will be torn down so as to ensure an environment for protecting reasonable competition and facilitating the adjustment of the product mix.

Growth of Energy Industry Registered

HK0905022690 Beijing CHINA DAILY in English
9 May 90 p 2

[By staff reporter Huang Xiang]

[Text] China's energy industry registered an overall increase in the first four months this year, according to the Ministry of Energy Resources.

Coal output reached 319.6 million tons during that time, an increase of 7.21 percent over the same period last year.

The figure represented 30.15 percent of the year's target.

A ministry official said State-run mines turned out 160.1 million tons of coal, 35.41 percent of the year's target and an increase of 5.96 percent over that of 1989 when the country produced a record 1.04 billion tons.

The industry was told to produce 1.06 billion tons of coal this year, of which State-run mines should contribute at least 452.5 million tons and hopefully 500 million.

According to the official, the power industry generated 191.7 billion kilowatt hours of electricity during the first four months.

This was a 7.66 percent increase over the same period last year. The industry produced 582 billion kilowatt hours of electricity in total last year.

Thermal power plants produced 160.3 billion kilowatt hours of electricity in the first four months of this year, an increase of 6.88 percent, while hydroelectricity production amounted to 31.4 billion kilowatt hours, an increase of 7.48 percent.

Crude oil output saw an increase of 1.01 percent to 45.12 million tons by the end of April, 540,000 tons more than the figure for the same period last year.

645 Noncommercial Enterprises Established Abroad

OW0905081790 Beijing XINHUA in English
0601 GMT 9 May 90

[Text] Beijing, May 9 (XINHUA)—China has established 645 non-commercial enterprises in 88 countries and regions, according to the Ministry of Foreign Economic Relations and Trade.

Agreements for the enterprises call for a total investment of 2.223 billion U.S. dollars with 951 million U.S. dollars, 42.7 percent, to come from China.

Last year, China approved 119 non-commercial enterprises with a total investment of 320 million U.S. dollars.

Since 1979, China has concentrated on resource development, industry and agricultural production in its foreign investment.

Baoshan Steel Group Contracts for Construction

*OW0805151090 Beijing XINHUA in English
1014 GMT 8 May 90*

[Text] Shanghai, May 8 (XINHUA)—The Baoshan Iron and Steel Group has contracted to design and manage an

expansion project at the steel-smelting section of the Wuyang Iron and Steel Company in Henan Province.

The Baoshan Iron and Steel Group consists of 50 large enterprises engaged in metallurgy, machinery and electrical appliances with the Shanghai Baoshan Iron and Steel complex taking the lead.

The project, which will cost 350 million yuan (about 74.5 million U.S. dollars), is a key state project.

The project includes the installation of a 90-ton ultra-high power electric furnace imported from Austria and a 1,900-millimeter slab continuous caster produced domestically.

East Region

Fujian To Continue To Intensify Economic Reform

OW3004092890 Beijing XINHUA in English
1209 GMT 26 Apr 90

[Text] Fuzhou, April 26 (XINHUA)—Fujian Province will continue to deepen its economic reform and complete its macroscopic regulation system gradually.

Governor Wang Zhaoguo said this in his work report to the third session of the seventh provincial people's congress, which opened in the provincial capital of Fuzhou April 20. He pointed out that the emphasis this year will be put on stabilizing, adjusting and improving measures adopted in the province's reform in past decade, aiming at better rectifying the economic order and economic construction.

At the same time, pilot reform should also continue to be carried out, said the governor.

In his work report he also listed the province's 10 tasks for this year.

He declared that the total output of grain will be increased from 8.8457 million tons in 1989 to 10 million tons by the year 1995.

Wang said that the province will take good care of affairs concerning Overseas Chinese and compatriots from Hong Kong and Taiwan.

Efforts should also be made to improve the quality of services and to improve investment conditions for overseas investors, the governor added.

Fujian Zone Looks to Taiwan for Investment

HK0305030190 Hong Kong HONGKONG STANDARD
in English 3 May 90 p 7

[By Tammy Tam]

[Text] Fujian province, the original home of many Taiwanese citizens, plans to establish a development zone near its capital city, Fuzhou, to lure investment from the island republic.

The new zone—Fujian third—will cover 90 square kilometres on Fuzhou's Langqi Island, about 150 nautical miles from Keelung Port in Taiwan.

An official of the Fujian Foreign Economic and Trade Commission, who identified himself only as Mr Li, said yesterday investment from Hong Kong and other places would also be welcomed in the new zone.

"The zone is intended to attract Taiwan investors, but we also welcome overseas investments from other parts of the world," said Mr Li.

"Fujian currently has two such zones—Haichan and Xinglin—all in Xiamen. The State Council gave the

approval for their establishment late last year. Beijing is expected to give the approval on Langqi Island."

Mr Li said he expected the influx of Taiwanese capital would also increase investment from Hong Kong.

Meanwhile, Taiwanese plastics tycoon Wang Yung-ching is making his second visit to the mainland for more talks on his plans for a huge oil-chemical complex in the Haichan zone.

Fujian authorities have high hopes for Mr Wang's plans and are hoping he will make an early decision.

They believe Mr Wang's project would make an important contribution to economic development in Fujian and would attract other Taiwanese investors.

On his first visit to the mainland in February Mr Wang, the head of Taiwan Plastics, met paramount leader Deng Xiaoping.

Mr Deng asked the Taiwanese billionaire to help develop China's industry and Mr Wang agreed.

The Fujian government is speeding up building of airports and ports to prepare for the expected increase of investment from the island republic.

The developments will ease future direct flights and shipping across the Taiwan Straits.

And a big trade fair is to be held in Xiamen in September, when the province will present its development projects and business opportunities to would-be investors, mainly from Taiwan.

In another development, a 70-member Taiwanese business delegation has begun an 18-day investigation trip to the mainland.

The delegation is one of Taipei's biggest commercial delegations to the mainland in recent times.

It is headed by Hsiung Chi-fang, director of the Taiwan-Mainland Commercial Co-ordination Association. The party's first stop is Fujian, before moving on to Hangzhou, Shanghai, Dalian, Wuhan and Beijing.

Before leaving Taipei, Mr Hsiung told reporters the businessmen would seek investment and co-operation opportunities in the mainland in light industry, chemical industry, electronics, textile, property and other fields.

Fujian City Marks Anniversary of Opium War

OW0805135990 Beijing XINHUA in English
1007 GMT 8 May 90

[Text] Xiamen, May 8 (XINHUA)—Various activities marking the 150th anniversary of the Opium War (Britain's invasion of China, 1840-42) were held recently in Xiamen, a coastal city in southeast China's Fujian Province.

The activities included a patriotic singing competition, a history seminar, a film, a symposium, and a memorial for revolutionary martyrs.

People from various circles, including government officials, workers, teachers, soldiers, and university and primary school students, took part in the commemorations.

Xiamen, a commercial outlet forced open by the British at that time, suffered greatly under the semi-colonial, semi-feudal system. Economic development was very slow.

Only since the founding of the People's Republic of China has the city achieved fast economic progress. The Xiamen Special Economic Zone now has more than 700 foreign-funded projects.

Through the activities, the people of Xiamen, especially the young, have learned a lot. A graduate of the history department of Xiamen University said that 150 years ago the forced opening of Xiamen port brought suffering and humiliation, but the current reform and open policy have brought development and prosperity.

Jiangsu Adopts Resolution on CPC Decision

*OW0805042790 Nanjing XINHUA RIBAO
in Chinese 15 Apr 90 p 1*

[Decision of the Second Plenary Session of the Eighth Jiangsu CPC Committee adopted on 14 April 1990]

[Text] The Second Plenary Session of the Eighth Jiangsu CPC Committee was held in Nanjing on 14 April 1990 following an enlarged meeting. The meeting earnestly studied the documents adopted at the Sixth Plenary Session of the 13th CPC Central Committee and made arrangements for our province's implementation of the guidelines of the Sixth Plenary Session of the 13th CPC Central Committee.

The plenary session held that the "Decision of the CPC Central Committee on Strengthening Ties Between the Party and the People" is a Marxist document of utmost importance. Implementing well the "decision" will have an important and immediate impact as well as far-reaching historical significance for basically improving party building; promoting socialist modernization; thwarting the conspiracy of peaceful evolution hatched by domestic and foreign hostile forces; maintaining long-term national stability; mobilizing the initiative of the masses; overcoming current difficulties; doing a good job in economic retrenchment, deepening reform, and ensuring stable economic development; and guaranteeing social stability and unity.

The plenary session examined and passed the "Opinions of the Jiangsu CPC Committee on Studying and Implementing the 'Decision of the CPC Central Committee on Strengthening Ties Between the Party and the People.'" It called on party organizations at all levels and all

Communist Party members in the province to earnestly implement the decision of the CPC Central Committee.

The plenary session called on party organizations at all levels to study and implement the "decision" in the spirit of rectifying incorrect work styles; carry out systematic reeducation on the Marxist viewpoint concerning the masses and on the party's mass line; remember well the fundamental purpose of wholeheartedly serving the people; continuously and unswervingly implement the party's basic line and a series of major principles and policies that are sincerely supported by the masses; concentrate efforts in doing well in the national economy; constantly improve the material and spiritual life of the masses and develop the political situation of stability and unity on the basis of stable development of the economy; greatly promote the building of socialist democracy and the legal system; perfect a democratic and scientific process of policy making; make vigorous efforts to keep open and broaden channels with the masses; further strengthen the building of an honest and clean government; overcome negative and corrupt practices; and through practical efforts bring closer the ties between the party and the masses. Leading cadres at all levels must improve their work style in a down-to-earth manner; persist in frequently going down to the grass-roots units and going among the masses; implement the party's line, principles, and policies as well as various tasks of construction and reform with tangible results; and try their best to do practical things for the masses. All Communist Party members should take the lead in studying Marxism-Leninism and Mao Zedong Thought; take the lead in implementing the party's line, principles, and policies; be examples in abiding by party discipline and state laws; take the lead in hard struggle and in wholeheartedly serving the people; take the lead in struggling against phenomena that harm the interests of the people; play the pioneering and exemplary roles of a Communist; and maintain and develop the relations of blood and flesh with the masses.

The plenary session called on all levels of party organizations and all party members in the province to remember well their historical responsibility at all times and strengthen their ties with the masses through practical moves. The task of strengthening ties between the party and the people should now be implemented through the work of party building, economic work, and the work of stabilizing the overall situation. The plenary session called on party organizations and party members at all levels to rise up with spirit and with one heart and one mind to lead the masses in pushing forward the building of material and spiritual civilizations in our province and in striving to develop socialist undertakings with Chinese characteristics.

Nanjing PLA Air Force Holds Meeting 6 Apr

*OW0505110390 Nanjing Jiangsu Provincial Service
in Mandarin 1015 GMT 6 Apr 90*

[Text] The Air Force of the Nanjing Military Region held a meeting today to relay the guideline laid down by the

Third Session of the Seventh National People's Congress [NPC]. The meeting called on all air force units in the region to firmly implement the guideline with the actual deeds of improving their combat effectiveness. Jiang Yutian, air force commander under the Nanjing Military Region and a deputy to the Seventh National People's Congress, made a report on the Third Session of the Seventh NPC. He said: To implement the guideline laid down by the Third Session of the Seventh NPC is of great significance in promoting China's political, economic, and social development.

The meeting called on all air force units to promptly disseminate the NPC session's guideline among all offices and men and their dependents. It pointed out: Party committees at all levels must list the propagation of this guideline as an important topic in their daily agenda and firmly strengthen their leadership. It is necessary to understand the significance of maintaining stability and realize that national stability conforms with the basic interests of all the people in the country. [Words indistinct] It is also essential to realize the significance of deepening reform, keep in mind the duties of our Army, and arouse all officers and men in the military region to make even greater contributions to promoting national and social stability, strengthening preparedness against war, and improving their combat effectiveness.

Authorities Commend Jiangxi Military Cadres

OW0805092090 Beijing Domestic Service in Mandarin
2130 GMT 2 May 90

[By reporter (Liu Donggeng); from the "News and Press Review" program]

[Text] During the second revolutionary civil war period, people in the old revolutionary base area in Jiangxi sang the following song in praise of the Red Army cadres:

Fine is the style of cadres of the Soviet Area.

They bring their own food when going to work.

Wearing straw sandals, their feet reach everywhere.

At night, they carry lanterns to call on peasants here and there.

Today, the Jiangxi people sing the same song in praise of the leading cadres of the provincial military district for their style of going among the masses and working wholeheartedly for the interests of the people. What is more, the Central Military Commission and the Central Discipline Inspection Commission have recently issued a joint circular to commend the leading cadres of the Jiangxi Provincial Military District.

Leaders of this provincial military district usually lead cadres of various organs to grass-roots units four or five times a year. On the average, each cadre works some 90 days at the grass-roots level annually. Wang Baotian, former commander of this military district, arranged to

visit every People's Armed Forces department in the province during his five-and-one-half-year tenure. The new commander, Zhang Chuanshi, has already visited 70 percent of the People's Armed Forces departments in the province since he assumed this post 10 months ago. In line with the new circumstances, this military district has established seven regulations, including one that the cadres of the People's Armed Forces departments are under the joint administration of the Army and local authorities, thus setting these cadres' minds at ease. This effort was highly valued by the General Staff Department and the Nanjing Military Region.

In addition, the leading cadres of this provincial military district have done substantive work for the cadres. They have set up more than 3,300 aid-to-the-poor stations in the province and have studied how to help those in the old revolutionary base area overcome poverty and become more prosperous. The (Qingyunpu) Cadre Care Center suffered from poor management. This had a direct influence on the life of retired veteran cadres. On learning this, (Lou Zhongnan), deputy political commissar of the provincial military district, took his knapsack and went to stay at this cadre care center. After widely soliciting opinions, he decided to toil along with others in reclamation work. As a result, a 100-mu tangerine plantation was developed. This brought the cadre care center out of its predicament and relieved the retired cadres of their worries.

Shandong Elects New County, Township Deputies

OW0605212390 Beijing XINHUA Domestic Service
in Chinese 1116 GMT 5 May 90

[By reporter Cheng Deyuan (4453 1795 3293) and correspondent Wang Yidong (3769 0181 2639)]

[Text] Jinan, 5 May (XINHUA)—The triennial election of people's congresses at the county and township levels was successfully completed recently in Shandong Province. Voters in 134 counties (cities and districts) and some 2,400 townships and towns elected nearly 210,000 deputies. The newly elected people's congresses also elected new leading bodies.

The election of county and township People's Congress has shown improvements in the democratic procedures and in doing things strictly according to law. For example, candidates were either nominated by voters or recommended by incumbent deputies according to law. In many localities, the number of candidates nominated in the preliminary stage was several or even more than 10 times more than the number of deputies to be elected. A total of 17,761 candidates for county and district people's congresses were nominated in Zibo City, 13.2 times the number of deputies to be elected. Of this, 17,488, or 98.5 percent, were jointly nominated by voters. About 80 percent of voters in Jinan City took part in the nominations and nominated a total of 21,809 candidates, equivalent to 10.8 times the number of deputies to be elected. In the process of discussing and deciding on candidates, opinions of the masses were fully

taken into account. Through repeated and thorough discussions and democratic consultation and by using uniform charts for accurate statistics, the elections have become more open and democratic procedures have been improved.

Governments at all levels and all units undertook effective measures to ensure voters' exercising their legal right to vote. According to statistics, more than 48 million voters throughout the province took part in the election, with a voting rate as high as 93.92 percent.

The new deputies were elected from among multiple candidates. They have the trust and support of the majority of voters. The structure of the deputies is more rational and their quality better than ever. It has been learned that 61.4 percent of the county level deputies are workers and peasants from the frontline of production. There are fairly large proportions of women, non-party people, intellectuals, and minority nationalities, thus reflecting the composition and the advanced nature and broad representation of the Chinese population. An overwhelming majority are young and middle-aged deputies with a better education than previously elected deputies.

Zhu Rongji, Others Meet 'Strugglers'

OW2804144490 Shanghai City Service in Mandarin
2300 GMT 9 Apr 90

[From the "Morning News" program]

[Text] Zhu Rongji, secretary of the Shanghai Municipal Party Committee and mayor of Shanghai, yesterday received Wang Dexing, Feng Changgeng, and Li Hua, members of the intellectual group to report the footprints of strugglers [fen dou zhe], and had a cordial conversation with them.

The meeting took place at the VIP reception room of the Municipal Party Committee office.

Comrade Zhu Rongji said: The patriotism, hard work, and dedication of the group members are very educational to all of us as well as to the students. I thank you on behalf of the municipal party committee and the municipal government.

Huang Ju and Wu Bangguo, deputy secretaries of the municipal party committee, were present at the meeting.

The group members made their first report at the Shanghai Jiaotong University yesterday. Their report was warmly received by the more than 1,800 attendees from 15 universities and colleges in Shanghai. Citing personal experiences about their growth, Wang Dexing, Feng Changgeng and Li Hua vividly showed their love for socialist China, their active involvement in production and scientific research, and their struggle to revitalize China. Their reports were time and again interrupted by the students' warm applause.

Speaking at the reporting session, Chen Zhili, deputy secretary of the Municipal Party Committee, spoke highly of the group members for their patriotism, their firm (?conviction) for the motherland, and their determination to aim high while taking the jagged course. She praised them as outstanding representatives of the old, middle-age, and young intellectuals as well as the thousands upon thousands of other strugglers in China. She urged the college students to love the motherland, the CPC, and socialism; carry out arduous struggle; cherish political stability and unity and their study opportunities; study hard; be genuine strugglers; and carry forward and manifest the fine traditions of Chinese intellectuals.

Members of the report group will report to college and middle school students in Shanghai today and tomorrow. They will also visit the Baoshan Iron and Steel Complex.

Shanghai Intellectuals Study Jiang's Speech

OW0605225890 Beijing XINHUA Domestic Service
in Chinese 1516 GMT 4 May 90

[By reporters Luo Kangxiong and Li Zhiyong (2621 1807 0516)]

[Text] Shanghai, 4 May (XINHUA)—"Intellectuals should shoulder tasks entrusted to them by history, carry forward the fine tradition, hold high the banner of patriotism, and plunge into the grand cause of promoting the socialist modernization of the motherland in order to fulfill their goals." This is the understanding reached at a discussion meeting attended by representatives of intellectuals on all fronts in Shanghai today. They met to study General Secretary Jiang Zemin's speech at a report meeting attended by young people in Beijing to commemorate the "May 4th Movement."

More than 80 intellectuals attended the discussion meeting. They included scientists, scholars, writers, artists, and theorists of the older generation who enjoy high prestige and command universal respect; middle-aged and young experts who have made outstanding contributions to developing the economy and promoting the reform and open policy in recent years; scholars who have returned from foreign countries; pacesetters in the new Long March; those who have made outstanding achievements through individual study; and university students, graduate students, and post-graduate students from various schools of higher learning. Many representatives vied with one another to express their views at the meeting. He Li, a post-graduate student at the Shanghai Institute of Technology and Physics under the Chinese Academy of Sciences, said: "Most of the young Chinese intellectuals, including students abroad, are patriotic. The evaluation by Comrade Jiang Zemin has touched me personally." He Li, who earned his master's degree and doctorate in Japan, said: "In a foreign country, we feel, all the more, the binding force of the socialist motherland and more profoundly realize that our fate is closely linked to that of the motherland." Guo Benyu, 48-year-old mathematician and president of Shanghai

University of Science and Technology, said: Since the Opium War, Chinese intellectuals have been engaged in exploring ways to eliminate slavery and poverty and become independent, rich, and powerful. The intellectuals in all periods have one characteristic in common—patriotism. At present, patriotism should be demonstrated by defending the dignity and unity of the country, cherishing political stability, and striving to vigorously promote the economy.

In his speech, General Secretary Jiang Zemin said: "The Chinese people have never had such extensive and pressing demands on their intellectuals as they have today." His remarks aroused a strong response from intellectuals attending the meeting. Zeng Le, deputy chief engineer of the Baoshan Steel Complex, said: "In order to meet the demands of the people and the current era, the intellectuals must first demonstrate their sense of historical responsibility and dedicate all their wisdom and ability to promoting national dignity and prosperity." A noted expert in welding work, Zeng Le, single-handedly established a first-rate refined welding laboratory and donated the whole thing to the Baoshan Steel Complex. He said: "Whatever the setbacks, I never wavered in my determination to rapidly develop China's science and technology." Shi Jinmiao, a rocket expert and head of the Shanghai experimental launch team, who just returned from the satellite launch center in Xichang, said: "Our scientific and technological personnel are making brilliant achievements at the advanced world level. The successful launch of the Asiasat One satellite has demonstrated the power of our country and encouraged the people. It is not only a crystallization of patriotic spirit, but also a vivid subject for conducting education about patriotism."

Many students and graduate students of various universities attending the meeting spoke about their new understanding gained from Jiang Zemin's speech. Hong Bing, a graduate student of East China Institute of Politics and Law, said: "My deepest feeling is that Jiang Zemin mentioned once again that it is necessary to take the road of integrating ourselves with the workers and peasants." He held that university students' taking part in social practice in an extensive manner is good because this will help young students understand the society and themselves. In this manner, they can effectively solve their ideological questions. He hoped that the government and society would provide more such opportunities for university students.

Zhu Rongji, secretary of the Shanghai municipal party committee, said at the meeting: Comrade Jiang Zemin's speech has expressed the party's concern for and demand on intellectuals. We must do a good job in dealing with intellectuals. In particular, we should learn the fine style of revolutionaries of the older generation, make friends with intellectuals as much as possible, show concern for them politically, encourage them ideologically, help them solve their actual living problems, create more channels of communications to achieve mutual understanding, and struggle hard with them for the common cause on

the basis of "one center and two basic points" [emphasizing the central task of economic development and the two basic points of adherence to the four cardinal principles and the implementation of the reform and open policy].

Shen Zulun Praises Zhejiang's Auditors

OW0105150790 Hangzhou Zhejiang Provincial
Service in Mandarin 0900 GMT 19 Apr 90

[Text] A commendation meeting for advanced collectives and individuals from the province's auditing sector was held in Hangzhou this morning. Shen Zulun, Chen Fawen, Wu Zhichuan, Shang Jingcai, and other leading provincial attended the meeting and presented silk banners and certificates to 15 advanced collectives and 32 advanced workers.

On behalf of the provincial CPC Committee and the provincial government, Shen Zulun fully affirmed the efforts and contributions made last year by all comrades in the province's auditing system in the economic retrenchment, in maintaining financial discipline and economic order, in increasing financial revenue, and in promoting an honest government. All levels of auditing organs in our province grasped the essence of the economic retrenchment and carried out selective auditing at key departments, units, and on special funds. The focus of the province's auditing work for 1990 will be on increasing auditing in the areas of finance, taxation, and on [word indistinct]. New and restarted projects will be subject to general auditing prior to the beginning of construction. The province's auditors will also stress the auditing of special agricultural funds and enterprises which practice the contracted managerial responsibility system.

Southwest Region

Guizhou Holds Spiritual Civilization Conference

HK0705065390 Guiyang Guizhou Provincial Service
in Mandarin 2200 GMT 5 May 90

[Text] At the Guizhou Provincial Conference on Building Spiritual Civilization, Ding Tingmo, deputy secretary of the Guizhou Provincial CPC Committee, delivered a speech, calling for greater efforts to promote the building of socialist spiritual civilization, strengthening ideological and political education among the broad masses of cadres and people, and heightening the consciousness of the broad masses of cadres and people in implementing the CPC's line, principles, and policies.

In his speech, Comrade Ding Tingmo said that attaching utmost importance to ideological and political education in the course of socialist spiritual civilization building will no doubt promote political, economic, and social stability in Guizhou. At present, redoubled efforts must be made to step up education on current international and domestic situations and on stability and the continuity of the CPC's line, principles, and policies among

the broad masses of cadres and people. Main emphasis in this regard must be laid on strengthening propaganda and education on the spirit of the Sixth Plenary Session of the 13th CPC Central Committee. All the high-ranking party and government cadres in Guizhou must make every possible endeavor to forge closer ties with and closely rely on the broad masses of people.

Comrade Ding Tingmo said that while stepping up education on current international and domestic situations among the broad masses of cadres and people, all the provincial party and government departments and units in Guizhou must extensively carry out activities of learning from Lei Feng and advanced individuals and units in light of their actual conditions, with a view to creating a good general mood in society and pushing ahead with the development of all types of undertakings in Guizhou. It is necessary to mobilize both the revolutionary enthusiasm and the pioneering spirit of all the people in Guizhou by publicizing the deeds of all the advanced individuals and units.

Comrade Ding Tingmo demanded that all areas in Guizhou further strengthen the building of civilized villages, towns, and units; deepen the struggle against pornography and the six vices; carry out healthy and vivid cultural and recreational activities on public holidays to educate people in this regard; and strengthen the building of broadcast networks, libraries, cultural centers, cultural palaces, and clubs in order to provide a sound material basis on which Guizhou will be able to further her building of socialist spiritual civilization.

Sichuan Students Study Jiang Zemin Speech

HK0805084990 Chengdu Sichuan Provincial Service
in Mandarin 0915 GMT 7 May 90

[Excerpts] Since publication of the speech by General Secretary Jiang Zemin at the report meeting held in Beijing in commemoration of the "May 4th Movement," students and teachers at Sichuan University have conscientiously studied it and hold that it embodies the great concern the party and the government show the younger generation and has put forward a correct orientation for Chinese intellectuals.

They unanimously agreed that they will study and work harder to live up to the high expectations of the party and the people and successfully fulfill their sacred historical mission. [passage omitted]

A student from the Sichuan University Chinese Department said that General Secretary Jiang Zemin's speech made him understand that it is necessary to clearly understand the new contents of patriotism under the new historical conditions to better inherit and develop the traditions of patriotism. [passage omitted]

Disaster-Stricken Areas in Tibet Visited

OW0705145490 Lhasa Tibet Television Network
in Mandarin 1200 GMT 3 May 90

[From the "Tibet News" program]

[Text] Comrades from the Lhari County Branch of the Working Group were sent to Tibet by the State Council to comfort people in the disaster-stricken areas. They were accompanied by Gong Daxi, vice chairman of the Tibet Autonomous Region's People's Government. They visited (Lindi) Township in Lhari County on 27 April and conducted inspections in two animal husbandry villages of (Lindi) Township and (Dora) Township. [Video shows jeeps carrying State Council personnel, Gong Daxi, and cadres driving on a mountain road with the backdrop of snow-capped mountains]

Comrades from the State Council Working Group first visited approximately 100 officers and troops from an engineering regiment of the Xizang Military District, who were sent to clear mountain roads in the (Alyila) Mountains at over 5,000 meters above sea level. The personnel from the State Council Working Group conveyed cordial greetings to the officers and troops on behalf of the State Council. [Video shows State Council personnel, Gong Daxi, and cadres shaking hands with officers and troops on a mountain road] Afterward, they arrived at (Lindi) Township, which is the headquarters of the Working Group, at some 5,000 meters above sea level. The same afternoon, Vice Chairman Gong Daxi and comrades from the State Council Working Group inspected damage caused by the natural disaster in the No. 5 animal husbandry village of (Dora) Township. This village had been badly damaged by the natural disaster, with over 39 percent of its livestock destroyed. The Working Group visited tents of the herdsmen and inquired in detail about the losses incurred in the disaster; they also inquired about the livelihood of the herdsmen. [Personnel from the State Council Working Group, Gong Daxi, and cadres are seen talking with Tibetan people]

In the tent of (Qin Fei), Vice Chairman Gong Daxi said: The visit of the State Council Working Group to the disaster-stricken areas to comfort the people shows the great concern of the CPC Central Committee and the State Council for the Tibetan masses. We hope that our actions will help to minimize the degree of losses caused by the snow. A comrade from the State Council Working Group said: The State Council has shown great concern for the people in the disaster-stricken areas and has sent us to comfort them. We will surely and truthfully report the actual damage caused by the natural disaster to the State Council. (Tuba), a 60-year-old herdsman from (Tuo) village in (Lindi) Township, tearfully held the hands of Vice Chairman Gong Daxi and personnel from the State Council Working Group and said: We will never forget the great kindness of the Communist Party. People at the scene were greatly moved. [An old Tibetan is seen crying and talking to leaders]

On 29 April, Vice Chairman Gong Daxi and comrades from the State Council Working Group visited some villages of Nagqu County, which were also hit by the natural disaster. [Video shows many goat carcasses scattered on the ground]

Lhasa Vice Mayor Views 'Management of Outsiders'

OW0605014590 Lhasa Tibet Television Network
in Mandarin 1200 GMT 4 May 90

[Text] At noon on 3 May, the reporter interviewed Comrade (Zhaxi Dunzhu), vice mayor of Lhasa City, secretary in charge of city party committee public security and judicial work, and secretary of the city public security bureau leading party group, on how to improve the management of people who come from outside Tibet [wai lai ren yuan].

He said: With Tibet's intensified reform and opening to the outside world, more and more people are coming to this city from outside Tibet. We will adhere to the principle of persisting in reform and opening to the outside world and stabilizing the situation, and mobilize the entire society to improve the management of outsiders. In particular, party and government organs at various levels should do a good job in overall control, and all functional departments should do a good job in specific management. At present, we should pay attention to the following three points: First, we should set up special organizations to exercise the unified and coordinated management of people from outside Tibet. We should formulate concrete management measures to exercise overall control of the normal increase of the people with permanent residence and the average number of transient outsiders. Specific guidance should be given and various management measures should be adopted. Second, it is necessary to promote the cooperation of the entire society. Public security, taxation, industry and commerce, urban construction, and family planning departments should cooperate with and support each other. Third, it is necessary to enforce the law strictly, manage the people from outside Tibet according to relevant laws and regulations, and ensure that all functional departments perform their tasks and duties.

Number of Tibetan Nationality Cadres Increases

OW0805014990 Beijing XINHUA Domestic Service
in Chinese 2313 GMT 24 Apr 90

[By reporter Cheng Honggen (4453 4767 2704)]

[Text] Lhasa, 25 Apr (XINHUA)—A contingent of cadres comprised mainly those of the Tibetan nationality has become the backbone of the leadership of the Tibet Autonomous Region after implementation of democratic reform over the past 30 years.

Serfs and slaves, who comprised more than 95 percent of the population in Tibet, did not even have personal freedom, not to mention political rights, before implementation of democratic reform here. After the peaceful

liberation of Tibet, in particular, since implementation of democratic reform, the people's democratic political powers at all levels were established step by step. When the Tibet Autonomous Region was formally established in 1965, it ushered in a new era in which the vast numbers of peasants and herdsmen became the masters of their own affairs.

A large number of cadres of the Tibetan nationality and other minority nationalities have gradually assumed leadership posts over the past 30 years. A new structure characterized by a contingent of cadres comprised mainly of those of the Tibetan nationality has taken shape. According to briefings by departments concerned, at present, nationality cadres assume the posts of principal persons of the organizations of state power at all levels from autonomous region to prefectures and cities, counties and districts, and townships and towns throughout Tibet. Cadres of the Tibetan nationality account for 64.23 percent of the total number of cadres in the entire region.

Meanwhile, the professional contingent of cadres of the Tibetan nationality also keeps increasing in number. At present, scientific and technological cadres of the Tibetan nationality have already accounted for 65 percent of the total number of scientific and technological cadres in the entire region. A contingent of professional nationality cadres, encompassing the sectors of politics, economy, science and technology, culture and education, and medical care and public health, has basically taken shape.

Tibetan Military Academy Graduates Return Home

OW0705230790 Beijing XINHUA in English
1350 GMT 7 May 90

[Text] Kunming, May 7 (XINHUA)—The first batch of Tibetans ever to graduate from a military academy left here today for their posts in the Tibet Autonomous Region.

The 67 officers graduated from two-year courses at the Kunming Ground Forces Academy in Yunnan Province, southwest China.

Upon graduation, the officers said that they will live up to the expectations of the party and the people, and dedicate their youth to the stability and construction of Tibet and to the national defense.

Returned Tibetan Workers in Lhasa Viewed

OW0705135590 Beijing XINHUA in English
0737 GMT 7 May 90

[Text] Lhasa, May 7 (XINHUA)—Cetan Lhamo, a Tibetan tour guide at the Potala Palace, has won high praise from many foreign tourists with her fluent English and good cheer.

Cetan, who returned to Tibet in 1987, had spent many years studying English in India.

"I'm proud to tell overseas tourists about Tibet, my home, but I never dreamed that I would serve as a guide," she said.

Cetan, born in Namling County, Xigaze Prefecture, said she was sent to live with her grandmother in India as a child.

The grandmother first hired a governess to teach her English, and then sent her to a missionary school for nine years.

During Cetan's long stay in India, her parents moved from Namling county to Xigaze City. They often wrote to her about the changes in her home town.

"I missed my parents and my home town," she said.

When she returned from India, her father found her a job in a Xigaze Hotel and the Lhasa Tourism Company also wanted to hire her.

Feeling that Lhasa offered greater opportunities, Cetan chose the tourism company.

She learned her job quickly and can now lecture on Tibetan history, culture, habits and customs during her tours. "It's my duty to help foreigners learn about and understand Tibet," she said.

Cetan said she needs to learn more about the history and religion of Tibet, but is hindered by her inability to read Tibetan.

Though Lhasa's bookstores have many English books, Cetan said she cannot find suitable books about Tibet in English, and she cannot read the many books about Tibet in Tibetan.

She is enrolled in a Tibetan language class organized by the company with some Han nationality colleagues.

Tibetan Women Become Scientists, Technicians

*OW0805005090 Beijing XINHUA in English
0548 GMT 7 May 90*

[Text] Lhasa, May 7 (XINHUA)—China's Tibet Autonomous Region now boasts more than 10,000 women scientists and technicians who are now playing an important role in the regional agriculture, animal husbandry, forestry, education, medicine, transport, and energy scientific research departments.

Forty-two percent of the scientists and technicians in the autonomous region are women.

Cering Zhouga, the highest public health official of Tibet, was among the first group of Tibetan women scientists trained after the peaceful liberation of Tibet in 1951.

A research report she made of requirements for technical personnel in the regional medical department won a Medal of Technical Progress in Tibet. The report has

promoted the rational deployment and management of medical workers in the autonomous region.

Cering Zhouga said that after the peaceful liberation, the political and social status of Tibetan women improved greatly. They enjoy equal power with men in political and economic affairs.

Many Tibetan women have become scholars, experts, and officials at various levels.

Qoigdrön, a professor of the Ophthalmology Department of the People's Hospital of the Tibet Autonomous Region, has aroused interest in China and abroad with her cataract research.

Women scientists and technicians in other departments of Tibet have also made great contributions. Women have been active in developing fine varieties of grass, wheat, cattle, sheep, and yaks, and for work in solar energy.

Women have collected more than 35 percent of the 347 scientific achievement awards given in Tibet.

North Region

Beijing Government Work Report

*SK0605000090 Beijing BEIJING RIBAO in Chinese
11 Mar 90 PP 1-4*

[Report on the work of the government given by Chen Xitong, mayor of Beijing municipal government, at the third session of the Ninth Beijing Municipal People's Congress on 3 March 1990]

[Text] Fellow Deputies:

I would like to give a report on behalf of the Beijing Municipal People's Government to the present session for discussion.

Review of the Work in 1989

The year 1989 was a very unusual year in the history of the capital. During this year, the people of various nationalities throughout the municipality underwent a severe test in the struggle of halting the disturbances and quelling the counterrevolutionary rebellion and made great contributions. During this year, we comprehensively conducted the campaign of improvement and rectification and achieved noticeable results in this regard. Reform and opening up developed soundly and continuously after we eliminated the interference of the bourgeois liberalization and social disturbances. In the capital's economic construction, we overcame some unfavorable influences caused by the economic sanctions that some Western countries imposed on our country, strived to seize back the losses caused by the disturbances and rebellion, and still achieved fruitful results in the economy. During this year, we greatly strengthened the building of the socialist spiritual civilization after halting the disturbances and quelling the

counterrevolutionary rebellion. The people in the capital warmly celebrated the 40th anniversary of the founding of the PRC while achieving major success in realizing political stability, economic development, and the building of spiritual civilization. The unforgettable year of 1989 was a year during which the people of the capital stood tests from all fields and made continued progress on the way to build socialism with Chinese characteristics.

1. We won a great victory in halting disturbances and quelling the counterrevolutionary rebellion.

The disturbances and counterrevolutionary rebellion, which occurred in Beijing in the beginning of the summer, were a serious political struggle affecting the life and death of the country and the nation. Facing a very complicated and severe situation, the CPC Central Committee, the State Council, and the Central Military Commission adopted a resolute policy decision to enforce martial law in some areas in Beijing and succeeded in smashing the conspiracy of the domestic and foreign hostile forces, which attempted to overthrow the CPC leadership, change our socialist system, and overturn the people's republic. Thus, they safeguarded the fruits of national independence and of making the people serve as masters of the country, which numerous revolutionary martyrs and people with lofty ideals had shed their blood for during the past century or so, safeguarding socialist construction over the past 40 years and the fruits of reform during the past 10 years. This move helped us to avoid the serious consequences of the country falling into internal turmoil and the suffering of the people. Practice showed that the principles adopted by the party and government for halting disturbances and quelling counterrevolutionary rebellion manifested the common desire and fundamental interests of the people of various nationalities. These principles were very wise and were absolutely correct.

During this soul-stirring struggle, the commanders and fighters of the People's Liberation Army [PLA], the officers and men of the armed police, and the public security cadres and policemen fulfilled the sacred mission entrusted to them by the state and the country, made great contributions in defending the socialist republic, and wrote a brilliant chapter in history with their blood and lives.

During those rigorous days, governments at various levels and the overwhelming majority of their functionaries encountered the violent impinge, endured tremendous pressure, firmly stood at the forefront of the struggle, feared neither difficulties nor hardships, and worked day and night, thus unfailingly implementing the policy decision of the CPC Central Committee and the decisions of the Beijing Municipal CPC Committee, unfailingly meeting the requirements for adhering to the four cardinal principles with a clear-cut stand, safeguarding the stable and united political situation and never allowing the small number of persons with ulterior motives to stir up trouble and create disturbances as

stated in the resolution of the second session of the Ninth Municipal People's Congress, uniting and relying on the masses, rendering wholehearted support to the martial law troops, isolating to the maximum and attacking the extremely small number of hostile elements, and rapidly stabilizing the situation of the capital.

In the face of the tremendous difficulties created by the turmoil and rebellion, the people of the capital displayed a strong sense of political responsibility and a noble self-sacrificing spirit. Countless moving deeds of supporting and protecting the people's own Army and resolutely struggling against rioters, and deeds of the Army cherishing the people, of the people supporting the Army, and of the Army, the police, and the people working together to safeguard the order of the capital emerged on all fronts and in all trades and professions. Workers, peasants, and intellectuals throughout the municipality stood fast at their posts to work selflessly and made precious contributions to ensuring the normal operation of social life and recovering the losses incurred by the turmoil and rebellion.

Here, on behalf of the municipal government, I express my heartfelt condolences to the guards of the republic who heroically laid down their lives in checking the turmoil and suppressing the counterrevolutionary rebellion, my high respect to the commanders and fighters of the Liberation Army, the officers and men of the armed police forces, and public security cadres and policemen who made historical contributions to defending the socialist cause of the capital, my heartfelt gratitude to the workers, peasants, intellectuals, cadres, neighborhood activists, and the masses of our residents on all fronts who contributed their efforts to winning the success in checking the turmoil and suppressing the counterrevolutionary rebellion, and my sincere gratitude to Hong Kong, Macao, and Taiwan compatriots, Overseas Chinese, and foreign friendly personages who expressed understanding and support for our efforts to check the turmoil and suppress the counterrevolutionary rebellion!

2. Notable results were achieved in the endeavor of improvement, rectification, and in-depth reform.

Across-the-board implementation of economic improvement and rectification began to alleviate the great outstripping of the total demand over the total supply, which had taken shape for a long period of time, improved the economic environment, and provided favorable conditions for further adjusting the production setup, product mix, and enterprise organization, and for achieving a sustained, stable, and coordinated economic development.

—Retail price rises were effectively brought under control, declining from 21.9 percent in the preceding year to 18.5 percent, down 3.4 percentage points. The increase of the prices of the 47 basic daily necessities dropped to 8.6 percent, down 9 percentage points from the preceding year. In this way, the target of making price rises "notably lower than 1988's" set

forth by the State Council and the second session of the Ninth Municipal People's Congress was fulfilled. Stable prices set the people's minds at rest, and enhanced their confidence in further achieving a success in economic improvement and rectification.

- The increases in the investment in fixed assets and in consumption funds were checked. The 1989 local investment in fixed assets was reduced by 3.18 billion yuan, down by 32.8 percent from the actual amount of the preceding year, and 549 construction projects were suspended or postponed. In this way, we began to change the situation of excessive investment. The four categories of cash payments made by banks to be used as wages grew by 13.5 percent, which was notably lower than the 25.6-percent increase registered in the preceding year. The volume of retail sales of consumer goods purchased by social groups rose by 3 percent, greatly lower than the 28.7-percent increase in the preceding year.
- The excessive industrial growth rate slowed down, declining from 17.1 percent in the preceding year to 6.5 percent.
- The chaotic situation in the circulation of goods was improved. Throughout the municipality, 1,014 companies were dissolved, merged, or had their production changed, of which 700 were dissolved. Companies of various categories run by party and government organs were dissolved or separated from these organs, and the problem of office cadres assuming part-time or full-time jobs in the companies was by and large solved. Management of prices and tax collection was strengthened, and the market and banking order improved.

After following a glorious course of 10 years, the great cause of socialist reform continued to develop in depth and became a strong motivating force to constantly push forward the socialist modernization drive. The appropriate-scale operation of agriculture, characterized with the collective cooperative production and operation, was gradually popularized in the plain areas of Beijing's suburbs, and became an important factor for reaping a bumper harvest in agriculture. The enterprise contract managerial responsibility system, with the "two guarantees and one linking-up" as its major form, was constantly being deepened, further aroused the enthusiasm of the vast number of workers and staff members, and displayed its tremendous strength in overcoming difficulties in various fields and in maintaining economic growth. The optimum labor setup deepened the reform of labor, personnel, and wage systems within enterprises and helped improve labor efficiency and the quality of enterprises. The reform of the housing system was tried out in more places on the basis of summarizing experiences. The reform of managerial systems within primary and middle schools was carried out in an all-round manner among regular schools, adding new vitality to various schools. The reform in the scientific and technological field promoted the integration of scientific

research with economic and social development and accelerated the pace of development and application of scientific and technological achievements. Relatively good results were achieved in the experimental reforms in the cultural, public health, and sports fields. Beneficial explorations were also made in the reform of political structure.

3. The national economy continued to develop in the course of the economic rectification drive after surmounting the serious influence from turmoil and rebellion and the serious shortages of funds and energy resources.

In 1989, because the capital's urban and rural economy was seriously affected by turmoil and the revolutionary rebellion and was confronted with serious shortages of funds, energy resources, raw materials, and transport facilities, as well as various natural calamities, some planned targets failed to be fulfilled; however, a due increase rate was maintained in the course of economic rectification. In 1989, calculated in terms of comparable prices, the gross domestic product amounted to 45 billion yuan, up by 4.2 percent over 1988; the national income amounted to 33.36 billion yuan, up 4.8 percent; and the financial revenues amounted to 7.1 billion yuan, up 4.3 percent; showing a stable increase for seven years running.

The rural economy continued to develop. In 1989, the total agricultural output value amounted to 2.55 billion yuan, up by 5.5 percent over 1988. Despite the drought seldom seen in history, a bumper harvest in grain was reaped for 12 years running, with the total grain output reaching 2.392 billion kg, 48 million kg more than that in 1988. The per-unit grain yield reached 538 kg, once again setting a record high. All foodstuff production targets were fulfilled. A relatively big increase was made in output of vegetables, meat, eggs, milk, fishes, and fruits; and the "vegetable basket" of the capital's residents became even more abundant. Attention was paid to the farmland capital construction. A total of 12.6 million of workdays were put into the building of irrigation works, and a total of 23.66 million square meters of earth and stone work were completed. The building of mountain areas was strengthened further, and the outlook of poverty-stricken areas changed. The town and township enterprises, which played an important role in expanding the forces of rural collective economy, continued to develop in close connection with urban enterprises under the guidance of the principle of making urban and rural areas an organic whole. In 1989, the total income of town and township enterprises reached 14.16 billion yuan, up by 19.2 percent over 1988; and the profits of these enterprises increased by 13.7 percent. The per-capita income of rural residents was 1,207 yuan, an increase of 11.8 percent over 1988. The accumulation rate of the collective economy reached 21 percent in 1989, the highest since the implementation of the responsibility system.

Under the situation of conducting retrenchment in various fields, industrial enterprises overcame numerous difficulties by tapping potential, upgrading and updating products, increasing production and practicing economy, and increasing revenues and reducing expenditures. The total output value of industrial enterprises reached 44.59 billion yuan, a 6.5-percent increase over 1988. Output of coal, electricity, steel, rolled steel, and other important products increased at varying degrees. Most of the targets for the 100 varieties of key products which were in short supply, for the 100 varieties of minor commodities, and for the 26 varieties of daily necessities of the people were fulfilled or overfulfilled. There was a big improvement in the output and quality of new products, which were produced with relatively advanced technology and which met market demands. The budgetary state-owned industrial enterprises handed 3.07 billion yuan of profits and taxes over to the state, up by 1.3 percent over 1988. New achievements were scored in traffic, transportation, post, telecommunications, and geological prospecting.

Markets had an ample supply of commodities and a good assortment of goods. The total volume of retail sales of commodities during the year was 26.67 billion yuan, an increase of 13.8 percent over the previous year. Markets had an ample supply of key commodities related to the national economy and the people's livelihood, particularly major foodstuffs; and their prices were stable. Some 10,000 new commercial and service networks were newly added, and 154 country fair trade markets were rebuilt and expanded. This further brought convenience to the people's livelihood. Under the strained situation, the broad masses of staff and workers on the commercial front met difficulties head-on and ensured the supply of daily necessities for the people and the martial law enforcement troops.

Under the situation in which some Western countries applied economic sanctions against our country, the municipality set a new record in developing foreign economic relations and trade. The foreign trade export volume totaled \$1.16 billion, showing an increase of 13.6 percent over the previous year and overfulfilling the fighting target of \$1.05 million. A total of 185 "three-capital" enterprises were newly approved and established, an increase of 25 percent.

Through the development of the economy, favorable conditions were created for employment. Of the 120,000 newly grown labor forces in the urban areas, 100,000 were employed. Only 0.5 percent of the urban labor forces were unemployed by the end of the year.

4. New achievements were made in urban and rural planning, construction, and management.

The key to urban and rural construction hinges on planning. The range and quality of the work of working out and managing urban and rural planning were developed. The scale of district construction planning was expanded to the areas outside the Third-Ring road.

Special plans for roads, transportation, water and gas supply, sewage disposal, and making the environment green were strengthened and perfected. Departments concerned comprehensively investigated the situation of utilizing the land not covered in the urban district development plan and initially renovated some areas. The planning for the development of suburban townships was carried out in a step-by-step manner based on the trial work, and the planning for the development of outer suburban counties was greatly progressed.

A total of 10.47 million square meters were completed. The construction of key projects, particularly projects for the Asian Games, was in full swing. Thirty-one competition arenas were roughly completed. A total of 5.775 million square meters of houses were built and another 110,000 households moved to new houses. The construction of infrastructural facilities, which urban areas' existence and development depend on, was further strengthened; and 33 municipal engineering projects were completed in succession. Eight main roads in the urban and rural areas were newly constructed, totaling 56 km in length. The "Dongxiang" road project was completed, alleviating the difficulties caused by the blocked traffic of the urban districts in the southeastern part of the municipality. A total of 113,000 households were supplied with gas, and the central heat supply system was installed in an area of 1.8 million square meters. The postal and telecommunications equipment was further improved, and another 38,000 households had telephones installed, a peak year after the liberation. Greater development was made in building new rural areas.

The pace of making urban and rural areas green and beautiful and improving the urban and rural environments was noticeably accelerated. The municipality set a record in the annual work load completed in this aspect. The urban areas planted 2.73 million trees, grew 1.48 million square meters of lawn, and cultivated 1.16 million flowers and plants. The proportion of urban areas with trees and grasses rose from 25 percent to 26 percent, and the per capita share of areas with trees and grasses rose from 5.8 square meters to six square meters. The municipality prefulfilled the all-people tree planting target covered in the "Seventh Five-Year" Plan. The suburban districts planted 16.215 million trees, overfulfilling the plan by 62 percent, afforested 151,000 mu of barren hilly areas, afforested 541,000 mu by airplanes, and closed 200,000-mu hillsides to facilitate afforestation. The municipality, districts, and counties carried out the system of responsibility for environmental protection. With the concerted efforts of all fronts, the municipality comprehensively fulfilled the 10 tasks for environmental protection as defined at the beginning of the year.

The urban management work was ceaselessly improved. The municipality gradually embarked on the course of conducting the urban management work according to law. The municipality continued to carry out the management method of keeping the number of deaths from the six kinds of abnormal accidents within fixed quotas;

and the number of deaths was reduced by 208 from the previous year, a drop of 21.1 percent. Of this, the number of deaths from traffic accidents was reduced by 105 based on the declines for three years running.

5. We made new progress in all socialist undertakings, including education, science, technology, culture, and sports.

The principle of "creating a new situation in the capital's educational undertakings," and the 10 measures mentioned in last year's government work report were implemented. The proportion of the budgetary expenditures for educational funds to the total financial expenditures of the entire municipality rose from 18.1 percent in 1988 to 20.06 percent. The increase in the funds for ordinary educational undertakings greatly exceeded the increase in financial revenues. The wages of teachers slightly increased. The average income of all teaching faculties of primary and middle schools in the whole municipality approached the average income level of workers of state-run enterprises. Conditions for running schools further improved. We built and expanded 150 primary schools with a total area of 319,000 square meters. Although the number of primary school students showed a net increase of 200,000 in four successive years, the system of running classes in two shifts was not implemented. The nine-year compulsory education is being smoothly carried out. The entrance rate of primary schools rose to 99.7 percent and that of junior middle schools, rose to 99.1 percent. The dropout rate of primary and middle school students declined continuously. The introduction of major courses in the higher educational and secondary specialized schools under the municipality authorities was further strengthened, the orientation for running schools of vocational and technical education as well as adult education was further defined, and the teaching level was further enhanced.

We achieved fairly good results in combining scientific and technological work with the capital's economic construction. During the year, we achieved 3,829 scientific and technological findings and popularized and applied 2,914 findings, which brought an additional output value of 2 billion yuan and created 440 million yuan in profits and taxes, showing a marked increase respectively over the previous year. The "sparkle plan" was overfulfilled one year ahead of schedule. During the past four years, we popularized 48 advanced and applicable agricultural supporting technological projects, developed 765 new industrial products, and trained more than 200,000 key rural technical and managerial cadres. We achieved remarkable results in orienting the "industrial technology regeneration plan," to the needs of large and medium-sized enterprises and provided an effective way for readjusting the product mix and digesting imported technology. The new-technology industrial development experimental zone had a total of 857 new-technology enterprises which earned 1.8 billion yuan by applying the results of science and technology to production and sales, and created \$34.3 million of foreign exchange. The

technology market developed steadily and the total transaction volume reached 2.79 billion yuan.

In developing cultural undertakings, we adhered to the orientation of serving the people and socialism, implemented the principle of grasping the "antipornographic work" with one hand and the work of invigorating literature and art with the other hand, created and staged many good works, plays, and operas, which helped to promote national traditions and inspire people's fighting morale. New progress was made in conducting cultural activities for enterprises, communities, and the masses. These activities played an active role in enriching and activating the spiritual life of the people. We strengthened the protection of cultural relics and achieved new progress in building and managing museums, libraries, cultural halls, and archives.

The conditions for medical and public health work further improved. We increased 2,545 hospital beds and basically formed medical and public health networks in the rural areas. Emergency undertakings were rapidly developed, playing a remarkable role in saving the dying and curing the wounded. Public health departments at all levels conscientiously implemented the principle of prevention first and adopted various measures to effectively control the spread of infectious diseases. The number of infectious disease incidences in the whole municipality dropped by 28.8 percent from the previous year.

We achieved new progress in family planning work under the situation in which the third dramatic period of expansion in the population emerged. The entire municipality's birth rate dropped from 14.4 per thousand in the previous year to 12.84 per thousand and the planned birth rate rose from 95.31 percent in the previous year to 95.83 percent. Family planning propaganda activities and mass media were further strengthened. The broad masses of family planning workers went deeply to the grass roots and the rural areas and made unremitting

New development was also made in sports. Mass sports activities were carried out extensively in urban and rural areas, and the people's constitution improved. Sports workers carried out painstaking work and training to raise the level in athletics, and many athletes went all out to achieve good results in major international and domestic events.

Governments at various levels and the society extensively attached importance to civil affairs. Notable progress was made in improving the grass-roots state apparatus and mass autonomous organizations. Urban neighborhood committees and rural villagers committees further improved their organizational structure and work systems. The urban social welfare undertakings focusing on services for communities developed toward the direction of a multi-layered and multi-purpose service. A total of 31 community service centers were established, and welfare undertakings in the service of handicapped people won extensive support from various

circles of society. Good results were achieved in disaster relief and aid-the-poor work, and new progress was also made in giving special care to disabled servicemen and to family members of revolutionary martyrs and servicemen, placing demobilized servicemen and those transferred to civilian jobs, and in making arrangements for retired cadres.

6. The socialist spiritual civilization, democracy, and the legal system were further strengthened.

The municipal government established a leading group to comprehensively take charge of the building of the spiritual civilization of the capital, formulated a two-year plan for strengthening the spiritual civilization of the capital, and launched wide and in-depth activities to "be civilized citizens, create civilized units, and build a civilized city," and activities of cooperation, especially between soldiers and civilians, in building the spiritual civilization. The ideological trend of bourgeois liberalization was criticized and resisted, a great change took place in the guidance of public opinion, communist ideals, and values and socialist morality were developed, and the activities to learn from Lei Feng and Lai Ning were carried out thoroughly. Governments at various levels commended in a big way the advanced examples in building the spiritual civilization and activities to "create a beautiful environment, establish good order, and render good-quality service" were carried out extensively throughout the municipality. Substantial achievements were scored in the struggles to "wipe out pornography" and eliminate the "six vices," thus dealing effective blows to criminals, purifying the social environment, and winning the warm support of the masses.

An important system for the work of governments at various levels is to voluntarily accept the supervision of people's congresses and their standing committees and give timely work reports to People's Congress standing committees at various levels and people's deputies. In the past year, the municipal government made 27 work reports to the municipal People's Congress Standing Committee, handled and made replies to 16 proposals and 1,244 suggestions, criticisms, and opinions, and received 1,122 deputies to the National People's Congress, members of the National Committee of Chinese People's Political Consultative Conference [CPPCC], deputies to the municipal People's Congress and members of the municipal CPPCC committee who came to inspect work. The work of democratic consultation was improved. In the past year, the municipal government briefed the municipal CPPCC committee, various democratic parties, and mass organizations on its work on five occasions, handled and made replies to 670 proposals submitted by members of the municipal CPPCC committee, held discussions on 21 occasions with deputies to the municipal People's Congress and members of the municipal CPPCC committee on several major issues concerning the municipality's economic and social development, and extensively gave heed to the opinions of various circles of society. The work to handle people's letters and visits was strengthened. An initial network

was established for the masses to directly communicate with the mayor and to air their views and exercise supervision through telephone, and it played a role in solving the actual problems of the masses.

The government's legislative work was further strengthened. Draft local laws and regulations submitted to the municipal People's Congress Standing Committee for discussion and administrative rules formulated and promulgated by the municipal government in the year totaled 61. The legal system that had been once undermined by the turmoil and rebellion was restored rapidly. Law enforcement in administrative work was improved, and new progress was also made in popularizing the knowledge on laws and in the propaganda on the legal system. In support of the endeavor to implement the "notice on criminal elements guilty of embezzlement, bribe-taking, speculation and other offenses having to surrender themselves within the fixed time" issued by the People's Court and People's Procuratorate, we launched the major campaign against embezzlement, bribery, and speculation, thus frightening economic criminals and educating and saving a number of misled people.

The achievements scored by the capital in various undertakings during the past year were hard-won. Each and every person who has worked hard for these undertakings is entitled to be proud of the fruitful achievements he made.

The achievements in various undertakings of the capital have once again proven that the CPC is the force at the core, leading our undertakings; and without this core, our country would surely head toward a split and the people would become listless. Any speech or action that negates the CPC leadership is extremely erroneous and thus should be opposed and checked resolutely.

The achievements in various undertakings of the capital have once again proven that the socialist cause cannot be defeated; and it represents the orientation of the development of human history, and is the historical choice made by the hundreds of millions of people in China. Only by upholding the socialist road can our country and our capital become prosperous and can our people become affluent and happy. If we take the capitalist road, as advocated by a handful of persons, there will certainly be a big retrogression in Chinese history, our country will certainly once again fall into a state of poverty and decline, and our people will once again be reduced to slaves of the capitalist class abroad and the exploiting class at home. This should never be allowed.

The achievements scored in various undertakings of the capital have once again proven that it is necessary to constantly strengthen the building of democracy and the legal system, wholeheartedly depend on the working class, and consolidate the people's democratic dictatorship led by the working class and based on the worker-peasant alliance. The only way to mobilize and protect the enthusiasm of all fields is to fully carry forward

socialist democracy, actually safeguard the democratic rights of the people, and gradually establish a perfect legal system. At the same time, we should never allow a handful of persons who are hostile to socialism to stir up trouble, and should never give up exercising dictatorship over enemies at any time. The Chinese People's Liberation Army is a strong pillar of the people's democratic dictatorship. So long as we strengthen the unity between the Army and the people, all hostile forces' attempts to overthrow the CPC leadership and subvert socialist China will be thoroughly smashed.

The achievements scored in various undertakings of the capital have once again proven that reform and opening-up are the self-improvement and self-development of the socialist system and are the road to making our country strong and the capital prosperous. Only by upholding reform and opening-up, and carrying out reform and opening-up in line with the four cardinal principles, which are the foundation of the country, can we greatly arouse and correctly guide the enthusiasm of the vast number of the masses and then promote the development of the social productive forces. On the question of reform and opening-up, all cases of hesitation, wavering, or even retrogression are erroneous; and all speeches and actions with the attempt to negate the socialist system in the name of reform and opening-up are not allowed.

The achievements scored in various undertakings of the capital have also once again proven that maintenance of political and social stability is the precondition in developing all undertakings and is the highest interest of the people of all nationalities. The people have already bitterly hated turmoil. Turmoil does not enjoy popular support and thus it will surely lead to failure. Whoever destroys the stable situation will be condemned by history.

The achievements scored in various undertakings of the capital are the result of the concerted efforts of the people of all nationalities; are the result of the supervision and support from the municipal People's Congress Standing Committee and People's Congress deputies and the support and cooperation from the municipal CPPCC Committee, the various democratic parties, and people's groups; and are inseparable from the support and help of all comrades and friends who have been concerned with the construction of the capital. Please let me extend heartfelt thanks on behalf of the municipal government to the people of various nationalities on all fronts throughout the municipality who contributed to the capital's development, the central units and Army units stationed in Beijing, and all fraternal provinces, cities, and autonomous regions that supported the development of all undertakings in the capital, extend cordial regards to compatriots from Hong Kong, Macao, and Taiwan and Overseas Chinese compatriots who exerted efforts to reunify the motherland and to build the capital, and extend heartfelt thanks to foreign friends who treated us friendly and supported the capital's construction.

While affirming the achievements, we should also soberly recognize the difficulties in building the capital. There were long-standing contradictions and new problems cropping up in the course of economic readjustment. The two mixed and were quite perplexing. We should treat them conscientiously.

First of all, the contradiction that created difficulties for the capital's urban development for a long time had not been fundamentally alleviated. 1) The serious shortage of water, land, and energy resources restricted the capital's economic and social development and the improvement in the people's living standards. Despite years of strenuous efforts, the building of water, electricity, gas, heating, communications, post and telecommunication infrastructural facilities in the urban areas still lagged far behind the needs of the sharp population growth and the increasingly expanded scope of the urban areas. The original facilities were seriously outdated and were often operated above capacity. There were many hidden dangers in these facilities. 2) The economic and technological levels still remained very backward and the phenomena of high consumption, low efficiency, high input and low output, which universally existed in the production, construction, and circulation spheres, and the low managerial level and serious waste were very serious. 3) The construction funds were seriously in short supply, the financial subsidies increased sharply, many projects essential for social production and the people's livelihood could not be carried out for a long time because of a shortage of funds, and the great increase in financial subsidies still could not be effectively controlled. 4) The population pressure continued to increase. At the end of last year, the permanent residents in the entire municipality reached 10.21 million. The natural population growth rate will reach a period of dramatic expansion in the 1990's. The increase in the migration has not yet been effectively controlled, the population of old people rapidly increased, and the floating population continued to grow. All these aggravated the difficulties in the capital's urban construction and management. These contradictions could not be resolved in a day. They will affect the capital's modernization drive for a long time.

Second, although we scored remarkable achievements in improvement and rectification, we were still far from fulfilling the tasks of readjusting the production set-up, the product mix, and the enterprise organizational structure. In the course of making strenuous efforts to control price hikes, it would be impossible for us to greatly change the contradictions in the unreasonable prices. Great efforts were required to improve the relations of prices. The unfair social distribution problems on egalitarianism and big income gaps were far from being eliminated. While achieving great success in persisting in cutting the scope of capital construction and implementing the retrenchment policy, problems of market sluggishness, impeded circulation, the rapid decline in the industrial growth rate, some enterprises running under capacity, and the total or partial production suspension in many enterprises emerged.

There were also some deficiencies and miscalculations in the guidance for government work, which was mainly manifested in the following: The problems of stressing economic construction and ignoring ideological and political work existed; social security and the general mood of society were not remarkably improved; the phenomena of being overanxious for quick results existed at varying degrees in the course of economic construction and implementing some reform measures; the measures for strengthening comprehensive balance and macroeconomic regulation and control in the course of invigorating the microeconomy were ineffective; the problems of bureaucracy and departing from the masses existed at varying degrees among some government leading cadres and functionaries; some people handled things in a dilatory manner, shifted the responsibilities onto other people and failed to assume responsibility; and many people abused their powers to seek personal gain or to engage in corruption and bribery.

The aforementioned difficulties and problems must be realistically solved in the course of further improving the economic environment, rectifying the economic order, deepening reform, and promoting administrative honesty and diligence in government administration.

The Work for 1990

The year 1990 is the crucial year for economic improvement and rectification and also one with both many difficulties on the road ahead and good prospects. In line with the guidelines of the Fifth Plenary Session of the 13th CPC Central Committee, the arrangements of the State Council and the requirements of the Eighth Plenary Session of the Sixth Beijing Municipal CPC Committee, the municipal government arranges its major tasks for this year as to resolutely safeguard political and social stability; to further facilitate the endeavor of improvement, rectification, and in-depth reform, and expand opening to the outside world; to strive to maintain appropriate growth in the national economy, and increase the supply of essential products. The municipality plans to increase its gross domestic product by 4 percent, agricultural output value by 4 percent, industrial output value by 5 percent, and financial revenue by 4 percent, to steadily promote its education, science, and technology, culture, public health, sports, and various other social undertakings, strive to fulfill or overfulfill the Seventh Five-Year Plan, and start to formulate the Eighth Five-Year Plan. It will concentrate efforts to make the 11th Asian Games successful and, taking this as a turning point, greatly facilitate the development of the socialist spiritual civilization, democracy, the legal system and other work of the capital.

1. We should resolutely safeguard the stability of the capital.

Political and social stability is the prerequisite for the endeavor of improvement, rectification, and in-depth reform, and for realizing the goal of socialist modernization, and is an important guiding principle for the work

for the whole year. As Beijing is the political and cultural center of the country and the center for international and domestic exchanges, its stability has an extremely important influence on the country and is the focus of world attention. Therefore, in the capital, stability is above everything else and prevails over everything else. People of various nationalities throughout the municipality should work hard to safeguard the political and social stability of the capital as they do to cherish their own eyes.

A. We should greatly strengthen ideological and political work, and conduct the education on adherence to the four cardinal principles and opposition to bourgeois liberalization on a long-term basis.

Bourgeois liberalization is the major root cause of the turmoil. If we leave bourgeois liberalization to spread unchecked, the turmoil will not end, the country will have not a single day of peace, and the people will suffer disasters. To safeguard the stability of the capital and guard against new turmoil and rebellion, we should unswervingly and unremittingly conduct the education on adherence to the four cardinal principles and take a clear-cut stand against bourgeois liberalization. We should note that foreign hostile elements will never change their strategy to carry out "peaceful evolution" toward socialist countries and will also resort to various means to infiltrate, subvert, and sabotage our country. The extremely small number of persons in the country who stubbornly persist in bourgeois liberalization will also adopt all possible means to spread the views against the communist leadership and the socialist system, hostile elements are still carrying out illegal sabotage activities, the adverse influence of reactionary ideas that went rampant during the turmoil and counterrevolutionary rebellion has not been eliminated completely after the suppression of the rebellion, and other factors affecting stability also exist in society. Therefore, the struggles between bourgeois liberalization and counter-bourgeois liberalization, between infiltration and counter-infiltration, between subversion and counter-subversion, and between "peaceful evolution" and counter-"peaceful evolution" will be long, complicated, and sometimes very acute struggles. We should remain highly vigilant, embrace the idea of long-term struggle, strengthen ideological and political work, actively use Marxism-Leninism-Mao Zedong Thought to occupy the ideological front, and conduct lively and vivid ideological education among cadres and the public. The more intensified and effective the education is, the more stable the society will be.

By closely centering on the implementation of the party's line, principles, and policies, we should purposefully conduct propaganda and education on the basic theories of Marxism; conduct the education on patriotism, collectivism, and socialism; conduct the education on learning from Lei Feng and carrying forward the spirit of Lei Feng; conduct the education on the basic situation of the country and the municipality and on the current

situation at home and abroad; and conduct the education on self-reliance and arduous struggle, so as to make the vast number of cadres firmly embrace a strong belief that socialism and communism are bound to victory. At present, we should penetratingly propagate the guidelines of the Fifth Plenary Session of the 13th CPC Central Committee, and should tell the masses about the economic situation of our country, the difficulties facing our country, the reasons behind these difficulties, the methods to solve problems, and the prospect of development in the future, so as to enable the masses to understand and comprehend the difficulties of the country and their own units and to make great endeavors to overcome difficulties together with the country with an attitude of being the masters of the country. At the moment, very good results have been achieved in the education on socialism conducted in suburban and rural areas of Beijing and in the "general discussion on overcoming difficulties" conducted among industrial enterprises. The experiences gained in this regard are under popularization. Through extensively and profoundly conducting the ideological and political work with the socialist ideological education as its subject, we should unite the ideas of the vast number of cadres and the masses with the decisions of the fifth plenary session of the 13th party Central Committee, and should enhance their confidence and initiative in fulfilling the tasks of economic rectification and in-depth reform.

B. We should firmly implement the various basic policies of the party and the state and maintain the continuity and stability of policies.

Maintaining the stability of the various basic policies of the party and the state, particularly maintaining the continuity of the various policies concerning reform, is extremely important to safeguard the political, economic, and social stability. When policies are stable, the people's minds will be at ease, and then various undertakings will develop in a sound manner. We must firmly implement the various basic policies laid down since the third plenary session of the 11th party Central Committee. In particular, those policies concerning reform that have been proven feasible by practice over the past few years should never be negated. If some policies need to be readjusted, supplemented, and improved in practice, we should spread propaganda among the masses and explain things to the masses.

Policies and tactics are the lives of the party and the government. To maintain the continuity and stability of policies, the key lies in the consciousness of leading organs and leading cadres at all levels in strictly executing policies. Such unhealthy trends as giving no consideration to the policies of the party and the state, and each going his own way should be checked resolutely and dealt with severely in order to safeguard the seriousness of the policies of the party and the state.

C. We should resolutely punish the corrupt and actually strengthen the building of administrative honesty.

Punishing the corrupt and maintaining administrative honesty are an important link to maintain close ties between the government and the masses and to maintain political and social stability. It should be fully affirmed that the overwhelming majority of functionaries of governments at all levels are honest in performing official duties. Under a poor and difficult situation, these functionaries have stood fast at their posts and have conscientiously worked for the people. However, while the idea of the exploiting class remains, a small number of weak-willed cadres will be affected by the corrupt instances of bartering power with money. Coupled with the failure in grasping the work in this regard over the past few years, the instances of corruption have always developed and spread unchecked. Such a situation has even been very serious in some places, thus arousing strong complaints among the masses and gravely harming the prestige of the government. We must definitely wage a struggle against corruption, exert great effort in solving this problem, and build a honest and high-efficiency government with a spirit of being responsible for the state, the people, and history.

At present, starting with major and serious cases, we should particularly investigate and handle cases on embezzlement and bribe-taking, speculation, power abuse for selfish gains, extravagance and waste, dereliction of duty, and serious bureaucracy, and exert great efforts to correct the unhealthy trends characteristic of certain trades. People who violate laws and discipline should be punished according to laws and disciplinary actions. The major targets of our supervision and investigation are 1) Leading organs and leading cadres; 2) administrative and law-enforcement personnel; and 3) functionaries of public utilities departments and departments in charge of certain trades. We should further strengthen efforts to improve supervision and auditing organs at various levels, and perfect the supervision system, the offense report system, and the special supervisor system, which has already been carried out on a trial basis, so that the exercise of various administrative powers will be placed under the restriction of laws, rules, and regulations, and under the supervision of the masses. We should comprehensively examine how the various measures for honest performance of official duties formulated by the CPC Central Committee, the State Council, and the Beijing Municipal CPC Committee have been implemented, and should implement them to the letter if they have not been carried out. With regard to the leading cadres whose actual living standards are notably higher than their legal income, discipline inspection and supervision departments have the right to ask for their explanations. Administrative organs and public utilities departments should continue the system of "making work procedures and work results public," strengthen its system of self-restraint and persistently conduct the education on rendering service to the people and being responsible to the people, and on professional ethics. Administrative leaders of all localities, departments, and units should personally attend to the work of honest performance of duties, formulate

measures for this work to particularly solve the problems about which the masses have many complaints, assign tasks to every level, and do a good job in propaganda and education. Through supervision, punishment, and extensive propaganda and education, we should enable all state functionaries, especially leading cadres, to firmly embrace the ideas of performing duties honestly, diligently, and selflessly in the interest of the people, feeling honored to abide by laws and discipline, and feeling ashamed for embezzlement, corruption, extravagance and waste, dereliction of duty, pursuit of selfish interest, and violation of laws and discipline, and to take the initiative in resisting the corrosion of the ideas of the exploiting class.

D. We should continue to achieve progress in improving socialist democracy and the legal system.

Full development of socialist democracy and further improvement of the socialist legal system constitute an important guarantee for political and social stability. At present, in strengthening socialist democracy, we should work toward ensuring the democratic rights of the people, uphold and improve the People's Congress system, the system of multiparty cooperation and political consultation under the leadership of the Communist Party, and establish and perfect the procedures and systems of democratic policymaking and democratic supervision. Government work should first be subject to the supervision and inspection of the People's Congress and people's deputies. We should conscientiously implement the "CPC Central Committee's Opinions on Persisting in and Improving the System of Multiparty Cooperation and Political Consultation Under the CPC Leadership," actively maintain closer ties with the CPPCC, various democratic parties, and patriotic personages without party affiliation, and give full play to their role in participating in and discussing government affairs and in exercising democratic supervision. We should actively support mass organizations, such as trade unions, the Communist Youth League, and women's federations, to carry out their work independently according to laws and their respective regulations, and fully develop their role as a bridge linking the government with the masses. We should conscientiously implement the policies on nationalities, religion, and Overseas Chinese affairs formulated by the party and the state, defend and develop the relations of equality, unity, and mutual assistance among various nationalities, ensure the legal rights and interests of minority nationalities, continuously strengthen consultation and cooperation with personages of minority nationalities, patriotic personages from the religious circles, and personages from the circle of returned Overseas Chinese, and brief them in a timely manner on the important situation in the political, economic, and social activities of the capital. In making major decisions on the reform and construction of the capital, we should fully give heed to the opinions of various quarters, especially dissenting opinions, to truly make our policymaking democratic

and scientific. We should continue to improve the grass-roots state apparatus and grass-roots autonomous organizations of the masses, adjust and replenish their personnel, intensify training of cadres, and fully develop their role in administering public affairs of society.

The socialist system is an expression and guarantee of socialist democracy. The government's legislative work is an important component of the building of the socialist legal system. This year, in carrying out legislative work, the government should conscientiously implement the spirit of running the municipality, districts, counties, and townships in line with the law, do administrative work in line with the law with a focus on implementing the "PRC Administrative Procedure Law," establish the system of urging all levels to rediscuss administrative cases, safeguard the legal rights and interests of citizens, legal persons, and other organizations, guarantee and supervise government organs to exercise their powers in line with law.

The government legislative work departments, in line with the state legislative demands and the needs of the rectification drive, reform, opening up, and modernization program of the municipality, should promptly put forward draft local laws and regulations or formulate administrative rules and regulations, and accelerate the pace of channeling all work into a legal path. Under the plan, the municipal government should finish drafting 50 laws and regulations and formulating rules, further strengthen the training of government law-enforcement ranks, and raise the political and professional levels. Continued efforts should be made to deeply conduct propaganda and education on the legal system and enhance the citizens' sense of the legal system.

Ours is a country of the people's democratic dictatorship. While fully displaying the people's democracy, we should strengthen the country's functions of dictatorship in an effort to safeguard social stability and progress. In this connection, we should strengthen the building of public security, judicial and state security organs, the armed police force and the national defense reserve force, strengthen social security management, and continue to concentrate efforts on dealing blows to law violations and criminal activities that disrupt social stability and economic construction and harm the people's livelihood. In line with the principle of making those who take charge of the work assume full responsibility, we should implement the responsibility system of maintaining stability, realistically do a good job in the mass work of all social strata, correctly handle contradictions among the people, properly handle social contradictions, pay close attention to the social trend, and promptly grasp the problems before they crop up. At the same time, we should enhance people's sense of national defense, care for and support Army building and reform, actively help them solve practical difficulties on their own initiative, do a better job in giving special care to disabled servicemen and family members of revolutionary martyrs and servicemen, arrange jobs for them,

maintain close ties between the Army and the people, and strengthen Army-government unity.

E. We should improve the work style of organs and maintain close ties with the masses.

Our government is a government to serve the people. The masses of people are the source of our strength and the foundation of victory. To maintain the flesh-and-blood ties between government cadres at all levels and the masses of people, we must promote the fine traditions of maintaining close ties with the masses, persist in overcoming bureaucracy, realistically change the work style of organs and leadership work, and raise work efficiency. This is the distinct character of the people's government, and the need of maintaining stability. We should consider the practice of having cadres go deeply to the grass roots as a breakthrough point for improving the work style of organs. The municipal government should start the work in line with the plans of the CPC Central Committee, the State Council, and the Beijing Municipal CPC Committee and should organize all forms of work groups and investigation and study groups by stages to the grass roots to sincerely hear opinions, suggestions, and criticism from the masses, realistically find solutions for the problems which the masses are concerned about, patiently and carefully conduct ideological and political work, publicize the principles and policies of the party and the government, publicize the domestic and international situations, consult with the grass-roots cadres and the masses, offer ideas and methods, and help them solve practical problems in production, work, and livelihood. Governments at all levels should formulate the work system and the checkup and report systems for cadres going to the grass roots, gradually institutionalize and regularize these systems, and grasp them persistently. Leading cadres should earnestly practice what they advocate, set examples, take the initiative in going to places where there are many problems and difficulties to work realistically and to help them solve problems conscientiously. Governments at all levels should go to grass roots in simple cars and with fewer people accompanying so as not to add burden to grass-roots units. They should also do some labor for grass-roots units. The work of sending cadres to grass-roots units should be closely combined with the routine work of government offices. In this regard, we should avoid going to the grass-roots en masse and in a superficial manner. Government organs should streamline the administrative staff, simplify administrative formalities, and reduce the number of meetings, documents, and courtesy activities. At the same time, governments at all levels should maintain close contact with the masses by holding consultation and dialogue with them, receiving letters and visits from them, setting up telephone lines for the masses to discuss routine administrative affairs, and making cadres participate in social labor activities, so that the government can understand the masses and can do more concrete deeds for them.

Government functionaries at all levels, leading cadres in particular, should strengthen theoretical study by

attaching importance to studying Marxism-Leninism-Mao Zedong Thought and Comrade Deng Xiaoping's books. By establishing a good study system and integrating theory with fact, government functionaries should strive to apply the Marxist stand, viewpoint, and methods to analyze and understand the current situation and to solve problems in practical work. This is the key to improving the work style and work efficiency of government organs.

2. We should continue to conscientiously carry out the economic rectification drive.

Economic stability is the foundation for political stability. We should firmly and unswervingly carry out the economic rectification drive to make the national economy gradually embark on the path of sustained, stable, and coordinated development. In light of the disposition of the State Council and the situation in Beijing, major goals for the economic rectification drive this year are as follows:

- We should continue to curb the scale of investment in fixed assets. This year, the scale of investment in fixed assets throughout the society will be arranged and controlled in line with the targets assigned by the state. At the same time, construction of key projects for the Asian Games should be completed on schedule and in good quality, and technological transformation projects should increase on an appropriate scale.
- We should continue to check the excessively rapid growth in consumption funds. In this regard, priority should be given to appropriately controlling the consumption of institutions; strengthening management, supervision, regulation, and control of income other than wages and bonuses; and further relieving the problem of unfair distribution.
- We should continue to tighten credit and currency issuance. Except for the allocations for agriculture, education, science and technology, and urban maintenance, which will increase on an appropriate scale, allocations for other purposes should all be kept at or below the actual levels of last year. Great efforts should be exerted in clearing up financial subsidies, with the focus on cutting unnecessary subsidies and eliminating waste caused by poor management. The total amount of loans to localities should be strictly kept below the target assigned by the state. At the same time, in accordance with the principle of facilitating economic readjustment, we should solve the fund shortage for some fields in order of importance and urgency.
- We should further readjust the economic structure and strengthen the building of agriculture and urban infrastructure. We should also readjust the mixture of industrial products, improve economic efficiency, and maintain an appropriate growth in the national economy.

- We should straighten out the economic order with the focus on straightening out the order in those wholesale companies that deal in important means of production. We should strengthen and improve supervision and management of the market of means of production, country fairs, and rural markets; should resolutely investigate and deal with economic crime cases; and should resolutely forbid unjustified levies and fines.
- We should ensure that this year's increase in retail sales prices will be lower than that of last year.

To realize the aforementioned targets, we should attend to the work tasks as follows:

A. We should reap a new bumper agricultural harvest based on the stable increases for several years running.

Governments at various levels and leading cadres should conscientiously grasp agriculture. All trades and professions should vigorously support agriculture. This year, we should strive to harvest more than 2.4 billion kg of grain, continue to increase the production of foodstuffs, and send 1.3 billion kg of vegetables to markets. We should continue to mobilize the forces of all fronts to increase the input in agriculture. The municipal financial department plans to arrange 343 million yuan of aid-agriculture funds, an increase of 9.5 percent. So, district- and county-level financial departments should allocate more funds to support agriculture; and the township-level financial departments should use larger portions of increased financial resources to support agriculture. The peasant is the main body of agricultural input. So, we should formulate reasonable policies and positively guide peasants to increase the input in agriculture. All departments concerned should give priority to the arrangement of the funds for the production of chemical fertilizer, plastic sheds, farm chemicals, and farm machines so as to ensure the supply of the farm capital goods, improved seeds, and animal feed. We should put the construction of farmland water conservancy projects in a prominent position and make early preparations for combating floods. We should strengthen land management, intensify the measures for protecting arable land, strictly enforce the procedures for examining and approving the occupation of land, and resolutely end and correct the phenomena of recklessly occupying arable land. It is necessary to strengthen the construction of grain, vegetable, and foodstuff production bases, strive to readjust the structure of farm and sideline products, increase the production of readily marketable products, coordinate production with marketing in a timely manner, and ensure a good supply of goods for the capital.

B. We should strengthen enterprise management, vigorously improve economic results, and ensure an appropriate increase in industrial production.

At present, the industrial front is confronted with such problems as the sluggish market, the blocked turnover of funds, and rapid decline in the industrial growth rate. All

these problems were caused by our noticeable achievements in improving the economic environment and rectifying the economic order. They brought about new difficulties to industrial production but created favorable conditions for improving enterprises' operation and management and improving the economic results. We should comprehensively implement the State Council's principle for further improving the economic environment, rectifying the economic order, and deepening reforms and various measures for overcoming the current difficulties, and focus our work on the following few fields:

First, we should vigorously strengthen enterprise management and strive to increase economic results from improvement of management. Our industrial enterprises have great potential for reducing material consumption, accelerating the turnover of funds, improving the quality of products, and increasing labor productivity. So, the industrial enterprises should firmly attend to the key link of improving the management level, set up and perfect various management systems focusing on the target of surpassing the advanced levels at home and abroad, and carry out responsibility systems to assign targets of production and economic results to each and every production link and each and every staff and worker. We should further deeply launch the campaign of "strengthening management to tide over difficulties," strive to upgrade the overall enterprise quality to a new level, and gradually have the industrial enterprises across the municipality step from the level of a high growth rate and low economic results to that of an appropriate growth rate and high economic results.

Second, we should positively readjust the product mix and strive to develop readily marketable products. While ensuring the production of people's daily necessities, key products, products in short supply, and products that can create foreign exchange through exports, we should restrict the production of unmarketable products and resolutely stop the production of products that are forced to be obsolete. According to the state industrial policies and the market demands, we should organize forces to vigorously develop new products, increase the variety of products, and accelerate the pace of upgrading and updating products. While readjusting the product mix, we should readjust, in a step-by-step manner, enterprises' organizational and production structures.

Third, we should strive to raise enterprises' technological level. We should open up numerous channels to increase enterprises' funds for technical transformation, further organize scientific research personnel to tackle the difficulties and problems that enterprises encounter in their efforts to make technological progress, and strive to achieve a breakthrough in this work. We should study and formulate corresponding measures to encourage enterprises to devote more manpower and financial resources to technical transformation, and blaze a new road of enterprise development led by technological progress.

Fourth, we should further change enterprises' concepts on management and encourage them to work with commercial departments to actively open up markets. We should continue to strengthen management of marketing work, improve ties between production and market units and pre- and post-sales services, and strive to reduce overstocked goods to put the tied-up funds into circulation as soon as possible. Production enterprises should improve their management, adopt various measures to open up markets in localities which others have not set foot in, and organize sales of commodities in rural and mountainous areas. Meanwhile, we should greatly open up the international market, expand exports, and produce more import substitutes.

State large and medium-sized enterprises are the key forces for economic development. With regard to the more than 100 large and medium-sized enterprises whose production has been assessed as compatible with the industrial policy and conducive to increasing the supply of essential products, all quarters should actively give support to them and, in an effort to support their normal operation, should raise some funds when necessary to purchase their products which are unsalable for the time being but are important and will become undersupplied when viewed from the long-term and overall situation. Township enterprise should continue the principle of integration between urban and rural areas, further strengthen their cooperation with urban areas, and make development in the process of adjustment, consolidation, transformation, and improvement.

C. We should further strengthen construction and management of urban infrastructural facilities.

While curtailing the general scope of investment, we should try to arrange construction of more infrastructural facilities, with the focus on electricity, urban drainage, gas supply, telecommunications, and road transportation facilities. In view of the current strained financial resources and the impossibility of meeting the demand for funds of all quarters, it is more important for us to strengthen the maintenance and management of the existing public facilities, greatly strengthen technical transformation, fully develop the capacity of the existing facilities, and raise the efficiency in their operation. In view of the fact that many facilities are old, we should conscientiously do a good job in the prevention of accidents and ensuring safety. Meanwhile, we should strengthen the protection and rational use of water resources, develop water-conservation projects, and launch large-scale activities of water conservation. We should further control, reduce, and actively tackle various pollutants to continuously improve the environment of the capital.

D. We should control commodity prices, stabilize the market, and ensure supplies.

With a large population, a rather low level of productive forces, and the general demand exceeding the general supply, our country will encounter for a long period of

time the contradiction in which purchases exceed the amount of commodities that can be supplied. Therefore, the task to stabilize the market of the capital remains very arduous. State commercial and supply and marketing cooperatives should further play their role as the major channel and a reservoir, strengthen efforts to purchase and supply commodities, and particularly attach great importance to the purchases, marketing, distribution, and storage of grain and oil, nonstaple foods, the 26 kinds of basic industrial goods for daily use, and the 100 kinds of minor commodities. With regard to the commodities vital to market stability, we should strengthen efforts in balance and coordination to ensure the fulfillment of their distribution plans. We should guarantee the supplies of the commodities purchased by coupons, daily necessities, and the 130 kinds of necessary commodities.

We should continue to do a good job in taxation, finance, and price general inspection work, consolidate market order, strengthen pricing management, and strictly control price hikes. The prices of grain and oil that are supplied to residents by a fixed quota should not be changed and the prices of other nonstaple foods and daily manufactured goods that are closely related to the people's livelihood should be kept stable. We should improve the system of reporting to the higher authorities for the record when raising the prices of commodities whose prices are decontrolled, and strengthen supervision and inspection of commodities with a set price-ceiling. It is necessary to further strengthen control and management over the rate of difference between keeping the goods in stock and selling them and the rate of difference between wholesale and retail sale of some commodities. The system of keeping price taps on all commodities should be implemented. At the same time, we should conscientiously check the standard for all charges, strengthen supervision and management over all service charges, and resolutely forbid arbitrarily collecting charges. Efforts should be made to conscientiously implement the "Beijing Municipal Regulations on Price Supervision and Checkup," replenish the price management personnel, strictly handle such illegal acts as forcing up prices and arbitrarily raising prices, and mobilize institutions and the broad masses of people to supervise the work. While strictly controlling commodity prices, we should gradually improve the irrational price relations.

E. We should strengthen population management and strictly control the excessively rapid population growth.

We should widely and regularly publicize the state family planning policy, continue to advocate the practice of late marriage, one child per couple, and do a good job in ensuring the healthy upbringing of children in an effort to raise the quality of the people. Governments at all levels should strive to do a good job in family planning work with an emphasis in conducting family planning work in the rural areas. We should implement the system of making all levels assume responsibility for fulfilling the family planning targets and assign a management

task to each level. This year, the entire municipality's birth rate should be controlled within 14 per thousand. We should strictly control the growth of the migratory population, strengthen management, guidance and control over the floating population, resolutely reduce the number of persons who change their rural residence registration to urban residence registration, and control the population of this category within the state-assigned target. This year, we will conduct the fourth national census. Governments at all levels throughout the municipality and departments concerned should meet the high standard and do quality work in line with the state unified requirements and stipulations.

F. We should promote the tradition of plain living and arduous struggle and make up our mind to lead an austere life for several years.

Self-reliance, arduous struggle, and building the country through thrift and hard work constitute a basic principle that we must persist in for a long time in our country's socialist modernization drive. Under the new situation of reform and opening up, we should step up our efforts to repeatedly publicize and conscientiously implement them. To lead an austere life, at present, we should overcome the feeling of being overanxious for quick results in the course of the socialist modernization drive in line with a series of principles, policies, and measures of the CPC Central Committee and the State Council on rectification; we should control the excessively rapid development rate within the capacity of national strength; we should resolutely stop, restrict, and cut projects such as office buildings, auditoriums, and hotels, whose production should be suspended, all products whose production should be restricted, and high consumption which should be cut back; and should not proceed with our work by practicing departmentalism, giving consideration to the interests of the part, adopting an irresolute and delaying manner, or just doing it our own way. Administrative and business units should practice economy and make tight arrangements for all financial expenditures. Enterprises should reduce expenditures for nonproductive purposes and overcome the phenomena of blindly emulating certain notions of success in wages, bonuses, and welfare undertakings. In addition, we should adjust the internal distribution ratio and store up in fat years to make up for lean ones. It is necessary to actively advocate the practice of managing a household industriously and thriftily and changing prevailing habits and customs among urban and rural residents and to oppose holding big weddings or funerals or competing with one another in a race for certain notions of success in order to revitalize the social practice of frugality.

Leading cadres must set an example and be the first to tighten their belts. Leading organs at various levels should be the first to do what they ask the grass roots to do; and leading cadres at various levels should be the first to do what they ask the people to do. Practices in which leading cadres merely ask others to tighten their belts and to wage an arduous struggle, but the organs to

which they belong refuse to retrench the expenditure and they themselves are indulging in waste and extravagance are not permitted.

Tightening belts does not mean asking the people to live a poor life. The people's reasonable consumption must not be restricted but should be encouraged. It is necessary to ensure the production and supply of the people's basic daily necessities, such as foodstuffs, clothes, household articles, and fuel. We should try every possible means to help the enterprises that are operating under capacity and the enterprises that should be closed down, forced to manufacture other products, or merged with other enterprises eliminate difficulties and make good arrangements for the livelihood of their staff and workers.

3. We should further deepen reforms.

The improvement of the economic environment and the rectification of the economic order can create conditions for the deepening and smooth progress of reforms. Meanwhile, the improvement of the economic environment and the rectification of the economic order themselves should be coordinated with reforms. So, these two aspects supplement each other. At present, the priorities for deepening reforms are: According to the principle of linking planned economy with market regulation, we should stabilize, strengthen, readjust, and perfect the current reform measures. According to the requirements of placing more emphasis on planned economy in the period of improving the economic environment and rectifying the economic order, and appropriately strengthening and concentrating the guiding ideology, we should gradually set up a macroeconomic readjustment and control system to promote the stable development of the economy while guaranteeing the necessary decision-making powers of localities and enterprises, appropriately displaying their enthusiasm, and continuously enlivening the microeconomy. We should unshakably uphold the reform measures that have been proven effective, and sum up experiences in a timely manner to ceaselessly improve them. According to the demands of economic development, we should make new explorations for reforms in a well-guided and well-planned manner.

A. We should continue to consolidate, perfect, and develop the agricultural production of an appropriate scale.

The agricultural production of an appropriate scale, characterized by collective cooperative production and management, is suitable to the development of the rural productive forces in some suburban districts of the municipality. So, we must unswervingly and continuously carry out and develop it. We should further perfect the cooperative economic organizations in the rural areas, help all trades and professions perfect contract and management systems, perfect the production service system, display the efficiency of the economies of scale, appropriately increase the proportion of profits obtained

by the localities, strengthen the the collective sector of the economy, and increase the reserve strength for agricultural development. It is necessary to carry out the method of coordinating production with processing and marketing among the districts and counties with conditions and to continuously stabilize and perfect other forms of systems of contracted responsibility with payment linked to output among the localities where conditions do not permit it. We should ensure that there are targets fixed in contracts and that there are tasks of handing over to higher levels so as to ceaselessly upgrade agricultural labor productivity.

B. We should unswervingly promote enterprise reform.

We should uphold and perfect the system of contracted responsibility for management of enterprises with the focus on "two guarantees and a linking-up." The contract time limit can be extended to five years so that the enterprises will have the advantages of realizing the long-term targets and avoiding short-sighted behavior. We should accurately handle the relations between the interests of the state and those of the enterprises and reasonably define contract base figures and the proportions of progressive increases. Enterprises should appropriately upgrade the proportion of the funds for production development in the profits obtained by themselves, replenish their own floating funds according to regulations, and strengthen the reserve strength for production development. Enterprises should perfect the method of linking work load with work efficiency and reasonably fix the proportion of base figures and work efficiency so as to better effectively increase economic results and bring the rapid increase in consumption funds under control. We should standardize the procedures and the management methods for signing contracts and undertaking contracted work, define the rights and duties of both sides involved in the contracts, and defend the solemnity of contracts. The methods of "separating profit delivery from tax delivery, repaying loans after tax delivery, and signing contracts after tax delivery" may be tried out among those trades or enterprises that have conditions to do so. The "PRC's Law on State-Owned Enterprises" should be implemented thoroughly, the plant director or manager responsibility system should be carried out and improved continuously, and the system of personal responsibility and the system of professional responsibility should be further deepened among enterprises. Connected with the readjustment of the structures of industries, products, and enterprise organizations, we should vigorously develop enterprise groups, carry out enterprise integrations and lateral economic cooperation, and encourage town and township enterprises to integrate themselves with urban enterprises, in order to make the urban and the rural areas become an organic whole in line with plans. The shareholding system with the public ownership as its main body should be tried out continuously in a stable manner. When implementing the leasing system among small enterprises, we should adhere to the principle of regarding the collective leasing as predominant, appropriately improve the leasing forms and specific methods,

reasonably readjust and fix the leasing fees, and strengthen management, guidance, and service to the enterprises that conduct the leasing business. Construction enterprises should further improve the open bidding system for construction projects and continue to summarize and popularize the general contracts of construction projects. We should continue to consolidate and perfect the double-track contract system of foreign trade enterprises and production enterprises.

C. We should further consolidate and improve the reform of personnel, labor, and wage systems within enterprises and establishments, with the focus on optimizing their labor setup.

Initial results have been achieved in optimizing the labor setup. Under the new situation, all levels of responsible departments should strengthen guidance and solve in a timely manner those new problems emerging in optimizing the labor setup. Those enterprises and establishments that carry out an optimum labor setup should gradually perfect their fixed number of staffers, their production quotas, their standards for work posts, the training of their workers, and the system of examination; should implement the principle of distribution according to work; and should establish a dynamic system on an optimum labor setup. The issue of surplus laborers should be properly settled by opening up new employment opportunities as much as possible and the responsibility should not be shifted to the society in general. Labor and civil administration departments should improve the social guarantee system and perfect the management of the labor service market in order to provide a necessary guarantee system and social conditions for further developing the optimum labor setup. At the same time, these departments should continue to expand the experimental scale of the per-capita labor contract system. This year, great efforts should be made to control the urban unemployment rate at about 1 percent.

D. We should continue to push forward the reform of the departments in charge of overall economic affairs.

In line with the demand of developing the economy in a sustained, stable, and coordinated manner, we should further give play to the leading role of planning departments in conducting overall balance, executing industrial policies, and serving as an economic lever in conducting coordination. We should also strengthen the coordination of the daily work of financial, tax, banking, pricing, labor, industrial, and commercial management, supplies, and statistical departments. We should also do a good job in conducting comprehensive balance among Beijing's funds, materials, foreign exchange, and labor forces in order to enable various departments in charge of overall economic affairs to do an even better job in seeking unity in plans, steps, and actions in line with the demand of conducting economic rectification and macroeconomic regulation and control. We should continue to implement a revenue-sharing system among various districts and counties. On the prerequisite of not

changing the basic figures and the proportion of revenues delivered to the state, all districts and counties should make more contributions to overcoming the state's financial problems. The reform of banking, supplies, and pricing management systems should be carried out conscientiously in line with the demand of the State Council and in light of the practical conditions of Beijing. Departments in charge of overall economic affairs should also apply economic, administrative, and legal means to strengthen the management and guidance to individual economy and private economy; should protect legal businesses and strike and ban illegal ones; should give play to the positive role of individual economy and private economy in developing the production of society, invigorating markets, providing for people's livelihood, and expanding labor employment; and should restrict the negative fields of individual economy and private economy that are unfavorable to the socialist economic development.

E. We should actively conduct experiments on reforming the housing system of residents in cities and towns.

The reform of the housing system is the fundamental way to realize a benign cycle in housing construction and is an effective measure for readjusting the consumption structure and straightening out unhealthy trends in housing allocation. In line with the principles of allowing people to buy or rent houses, raising the rent of houses carefully and steadily, asking for no housing subsidies from the authorities so as not to increase the burden of the state and enterprises, allowing people to buy houses on a voluntary basis, giving them preferential terms appropriately, allowing the existence of floating prices, and giving consideration to the interests of the state, the collectives, and the individuals, we should organize reform experiments such as allowing respective units to sell houses to their workers on preferential terms, selling houses to people at market prices, establishing cooperatives to renovate dangerous and old houses, and setting up other sorts of cooperatives. This year, we will include the housing renovation projects of 108 units with a total area of 1 million square meters in various districts and counties in our renovation plans. In the course of the experiments, we should also explore new methods in line with the actual situations.

F. We should continue to conduct reform in the educational, scientific, technological, cultural, public health, and sports fields.

We should continue to deepen reform such as the readjustment of the educational structure, reform of the internal management system of primary and middle schools, and making science and technology serve economic construction and urban construction and management, and in "three guarantees and one linkup." Medical and public health departments should work together with departments concerned to actively study ways to reform the public medical-care system, continue to rectify medical charges and reorganize medical organs that are running with funds from the social sector, and

continue to improve all measures for reforming the medical and public health work on the premise of attaching prime importance to raising the medical quality and improving the service attitude. Civil administrative departments should continue to reform the production system of welfare institutes and develop the urban and community service system and social security undertakings in the rural areas.

4. We should continue to expand opening up.

Opening to the outside world is a principle which our country should uphold for a long time. During the improvement and rectification period, Beijing Municipality should not stop its efforts to open itself to the outside world. Instead, it should strive to accelerate its pace of opening up in an effort to display the capital's advantages as the center of international contacts, an important foreign and economic trade outlet, and a tourist city and to promote its economic construction and social development.

A. We should strive to expand the export foreign trade and properly control the import of commodities.

Increasing foreign exchange through exports is the foundation for expanding opening up. This year, in export foreign trade, we should strive to surpass the level of last year. We should consider state planning and the needs of the international markets as the important basis of readjusting the product mix and expanding exports and should gradually attain the goal of using exports to guide production and production to support exports. It is necessary to give priority to supporting trades producing key export commodities and guaranteeing funds, energy, raw materials, and transport facilities essential for enterprises. We should establish a group of export bases and enterprises with advanced technology, remarkable economic results, and a fairly strong processing production capacity in a planned manner. On the basis of making continued efforts to develop export bases for traditional commodities such as light industrial, textile, and handicraft products, we should strive to expand the export of intensive-processing and precision-processing commodities and high-technology products. The proportion of machinery and electrical products for export should be raised to a further extent. Foreign trade departments should strengthen their efforts to promote the sale of products, improve operation and management, reduce the cost of earning foreign exchange through export, and raise economic results. We should adopt flexible trade methods, expand the international market, and establish and improve the sales channel. It is necessary to strengthen macroeconomic management in foreign trade, implement the tasks of exporting products and supplying goods for foreign trade and production enterprises, use various forms to strengthen coordination between industries with foreign trade, actively develop lateral cooperation among industries, agriculture, and foreign trade, improve the experiments in urging production enterprises operating on their own to export and promote the system of export agents. While actively

organizing exports, we should properly control imports and concentrate the limited amount of foreign exchange on importing important equipment and materials that are urgently needed for the capital's production and construction and essential for the people's livelihood. We must resolutely not import products that can be domestically produced or substituted, and make strenuous efforts to cut back on imports of machinery and electric products. We should formulate and balance the import plan in a tight manner, scientifically and rationally arrange for the quota of using foreign exchange, and properly expand the scope of examining and approving imports of commodities.

B. We should actively and effectively use foreign funds.

Fully and rationally drawing in foreign funds and running Sino-foreign joint ventures, Sino-foreign cooperative enterprises, and wholly foreign-owned enterprises are important in promoting modernization in the capital, because these help alleviate the shortage of funds, bring in advanced technology and managerial experience, train personnel, exchange views, expand exports, and increase tax revenues. This year, we should continue to expand the general scope of using foreign funds, develop a group of enterprises of the above three categories, rationally use foreign loans, control the investment orientation in strict accordance with the state industrial policy and the relevant regulations on drawing investment from foreign traders, encourage the development of technologically-advanced production enterprises, and restrict the development of non-productive projects. Foreign-funded enterprises should mainly develop products that help create foreign exchange through export. This year, we should give emphasis to building a group of medium-sized and small projects that yield quick returns and can be adjusted and coordinated easily. Efforts should be made to amend and improve the municipal administrative rules and regulations governing business relations with foreigners, raise the efficiency of managing things, improve the investment environment, and enable investors to do business according to international practices. We should conscientiously honor the contracts of the projects invested by foreigners that have already been approved, and at the same time, conscientiously run well the foreign-funded enterprises that have already been started and put into production. All relevant enterprises and responsible departments should make an early start in collecting foreign exchange funds and should repay the principal and interest of foreign loans on time in an effort to safeguard the state reputation.

C. We should actively develop technology imports, develop more contract projects and export of labor services abroad, and draw in more foreign investment.

Technology imports help accelerate technological progress. In line with domestic needs and the coordinated conditions, we should give priority to importing foreign advanced technology and equipment, strengthen the digestion and absorption of imported technologies,

create new ideas, avoid blindly importing projects or importing overlapping projects, fully display the advantages of capital where trained personnel and technology are highly concentrated and the potential of large and medium-sized enterprises and scientific research units, strengthen economic and technological cooperation in the high-technology sphere, actively develop more contracted projects and export of labor service abroad, improve the structure of the export of labor service, do a good job in managing projects, gradually establish a stable cooperative channel, strengthen the distribution and consolidation of enterprises abroad, and promote the development of foreign investment.

D. We should regenerate and develop the tourist industry.

Last year, despite the strenuous efforts made by the broad masses of cadres and workers in the municipal tourist industry, the capital's tourist industry suffered fairly big losses because of the serious effect of the disturbances and the counterrevolutionary rebellion. The number of tourists who came to our municipality last year dropped by 46.4 percent from the previous year. This year, we should make full use of the opportunity of holding the 11th Asian Games in Beijing to carry out the "Asian Games tourist year" activities and comprehensively regenerate and develop the tourist industry. In this connection, we should actively open up channels, strive to attract more guests, continue to safeguard and build more tourist and scenic spots, fully use the capital's advantages of having many tourist resources, tap the potential of tourist facilities, raise economic results, further strengthen management over the tourist industry, consolidate the tourist market, intensify workers' political and professional training, strive to raise the operational and service levels, improve service, conduct colorful propaganda activities on promoting the sales of products through the tourist industry, and actively organize the production and sale of tourist commodities.

E. We should positively expand friendly contacts with foreign countries.

We should conscientiously implement the central authorities' principles and policies in the field of external relations; should have a correct understanding of major changes in the current international situation; should positively expand friendly contacts with foreign friendship cities as well as capitals and large cities of foreign countries, with emphasis on opening up channels of contact with capitals and large cities of the developing countries; should strengthen nongovernmental contacts with our compatriots in Hong Kong, Macao, and Taiwan, with our countrymen residing abroad, with friendly foreign citizens of Chinese origin, and with mass organizations composed of foreign citizens of Chinese origin; and should further promote the contacts and cooperations between Beijing and foreign countries in

the fields of the economy, science and technology, education, culture, public health, physical training and sports, urban construction, and urban administration.

5. We should continue to place education as well as science and technology in a strategic position to be developed on a priority basis.

Cultivating and bringing up strong defenders, positive builders, and reliable successors to the socialist cause is a major event bearing on the future and destiny of our country and nationalities; as well as an extremely important and urgent historical task to build a modernized capital and improve the people's ideological, moral, scientific, and cultural levels. Based on the achievements scored last year, in the course of making continued efforts to improve conditions for running schools, we should strive to orient the already mobilized initiative of teaching and administrative staff of various schools to a correct path of overall improvement of educational and teaching quality and should formulate as quickly as possible plans for improving educational and teaching quality in an all-around manner.

A. We should continue to advocate the idea of placing education before everything else. Principal leaders of governments at all levels should set an example in actually strengthening leadership over the educational work; and should go deep into schools to conduct investigations and studies, to handle affairs on the spot, and to earnestly solve problems with regard to conditions and the orientation for running schools and the reform of schools' management systems. From now on, the municipal government will launch once every two years the activity of appraising and commending those districts, counties, townships, towns, and neighborhoods advanced in developing educational undertakings and those leading cadres outstanding in managing educational undertakings in towns, townships, and neighborhoods.

B. We should firmly and unswervingly carry out reform of management systems within schools. In this aspect, primary and middle schools as well as kindergartens should focus their attention on deepening and perfecting their management systems. Municipal-run institutions of higher learning, secondary specialized schools, technical schools, and adult schools should push forward the reform of their management systems in a steady and sound manner by summarizing experiences gained by experimental units.

C. We should vigorously strengthen the building of the ranks of teachers. The key to invigorating Chinese nationalities lies in education, and the key to invigorating education lies in teachers. Building a contingent of teachers with a firm political stand, noble moral character, and professional competence is the basic guarantee for comprehensively improving educational quality and for training competent teachers. We should actually strengthen ideological and political work as well as professional training among teachers, administrative

staff, and workers of various schools, and should strive to improve the political and professional expertise of the vast number of teachers, young and middle-aged teachers in particular. We should exert great efforts in running teachers' colleges well, and should encourage excellent middle school graduates to take entrance examinations for teachers colleges in order to improve the educational quality of teachers colleges and ceaselessly transfer competent teachers to middle and primary schools.

D. We should firmly and unswervingly place the moral education before all other items of work of schools. All levels and all kinds of schools should by all means adhere to a firm and correct political stand and should actually strengthen and improve the work related to moral education. Institutions of higher learning should give priority to the education on persisting in the socialist road and serving the people. Primary and middle schools should strengthen the education on the standards of behavior, and launch a widespread activity of learning from Lei Feng and Lai Ning. After several years' efforts, we should strive to establish a complete system of moral education under which kindergartens, primary schools, middle schools, and universities are interrelated, and schools, the society, and families are closely integrated.

E. We should greatly improve the quality of education and instruction. The fundamental task of schools is to bring up socialist successors and constructors who are comprehensively developed morally, intellectually, physically, aesthetically, and in labor. We should create favorable conditions to guarantee that leaders of educational administrative departments and schools devote their major efforts to leadership over education and instruction. We should encourage administrative personnel and teachers of schools to actively conduct study and reform of teaching methods and curricula and put more efforts into improving the quality and efficiency of instruction. Departments supervising and guiding education should gradually shift their work focus to education itself, and go deep into the fields of education and instruction. Educational research departments should strengthen guidance to and supervision over the instruction of courses and conscientiously summarize and popularize the teaching experiences of a number of outstanding teachers to facilitate improvement of the quality of instruction.

F. We should conscientiously strengthen the work for students to participate in production labor and social practice. This is an important way to overcome the alienation of education from workers and peasants, from reality, and from the national situation, and a major means for students to cultivate an ardent love for labor, to remain industrious and thrifty, and to foster the spirit of plain living and hard struggle. Based on actual conditions, schools should establish and earnestly carry out the system for students to participate in production labor and social practice and designate their own base areas for the labor, social practice, and military training of their students. Plants, rural areas, and departments concerned

should provide necessary conditions and places for schools, and regard it an important task to receive the students who come to participate in labor and social practice.

G. We should improve the internal environment of schools. Schools of various categories at various levels should establish and improve the various administrative systems of schools, take a clear-cut stand to resist and criticize the idea of bourgeois liberalization and the corrupt style of life of the exploiting class and enhance students' sense of respect for organization and discipline. In combination with the activities to usher in the Asian Games, they should conduct extensive education on norms for civilized behavior and establish a good school environment, discipline, and spirit. Beginning this year, primary and middle schools should gradually establish their own school mottos, regulations, and songs.

H. We should continue to adjust the educational structure. We should conscientiously strengthen elementary education, with the focus on implementing the nine-year compulsory education. This year, we should fulfill the task to make the nine-year compulsory education universal in the plain areas of the countryside. We should conscientiously enforce the "Beijing Municipal Regulations on Secondary Vocational and Technical Education" discussed and adopted at the municipal People's Congress Standing Committee, achieve success in the operation of secondary specialized schools, skilled workers' schools and vocational senior high schools, and greatly develop vocational and technical education in rural areas. Institutes of higher learning of the municipality should adjust their setup of colleges and disciplines in line with the principle of stabilizing the scale, rationalizing the geographical distribution, optimizing the structure and improving the quality, and the establishment of key institutes and disciplines should be strengthened to lay a solid foundation for development of higher education. In adult education, we should greatly intensify on-the-job training in coordination with economic improvement and rectification. This year is an international anti-illiteracy year, and we should fulfill the municipality's task to wipe out illiteracy in a planned manner and in both quality and quantity.

I. We should continue to increase the investment in education, and improve the teaching conditions. While ensuring the continuous growth in the state-allocated funds, we should properly increase the tuition and miscellaneous fees for non-compulsory education and the miscellaneous fees for compulsory education. Districts and counties in outer suburbs should all adopt the people's education foundation system. We should adopt all possible means to increase as much as possible the investment in the capital construction for education. Arrangements for the allocation of land and manpower for building capital construction projects for education should be made on a priority basis. After summer vacation this year, the number of students of primary schools will register a net increase of 70,000. Therefore, we should continue to accelerate repair, expansion, and

building of primary school classrooms to guard against the recurrence of the two-shift system. We should also do a good job in the various preparations for the coming of the peak period for enrollment of junior middle schools. The task of 500,000-square-meter housing construction for administrative personnel and teachers of primary and middle schools should be completed this year.

J. We should comprehensively promote the rural educational management structural reform. All township and town governments should continue to implement the township and town educational assessment standards promulgated by the municipal government, formulate the school distribution and adjustment plans for their respective townships and towns in line with the principle of unified planning for the economic, scientific, technological, and educational sectors and for adult, ordinary, and vocational education, and gradually formulate plans for attaining the government-approved standards for running primary and middle schools and gradually put the plans into practice. It is necessary to adopt effective measures for further reducing the student dropout rate.

Modern science, technology, and scientific management are decisive factors for enlivening the economy. The economic competition and the comprehensive national strength competition in the world manifest themselves to the greatest extent in the competition of science and technology. Leaders at all levels, particularly leaders of the economic departments, should firmly foster the idea that science and technology are the first productive forces, strengthen and improve leadership over scientific and technological work, continue to stabilize and perfect all policies that promote technological progress, and extensively mobilize and organize the scientific and technological forces of all quarters to contribute to readjusting the product mix, raising enterprise economic results, accelerating urban modernization construction, and promoting the development of high-new technology industry. To achieve this, first of all, we must concentrate efforts on organizing technical forces to tackle engineering and technological research projects that greatly influence the capital's economic development, actively strengthen the development of new products and the popularization and application of scientific and technological findings in line with the needs of the domestic and foreign markets, establish special funds, strive to develop new products and popularize and apply 2,500 advanced and applicable scientific and technological findings, and strive to increase the output value by 1.5 billion yuan. Second, we should continue to organize well all scientific and technological development work. In the "sparkle plan," based on the achievements we made, we should give emphasis to building the areas where the sparkle-plan technology are closely concentrated and the regional comprehensive development, and display their exemplary role; we should perfect and improve the agricultural, scientific, and technological popularization system, and formulate outlines and

policy measures for "invigorating agriculture with science and technology" in an effort to strengthen agricultural scientific research and promote agricultural development. Continued efforts should be made to implement the "plan for invigorating industrial technology," with an emphasis on accelerating the pace of large and medium-sized industrial enterprises in developing major products and applying major new technology, the digestion and absorption of the imported technologies and the progress of domesticization, and should raise the level of the import institutes and the quality of products, and set targets for enterprise technological progress. Large and medium-sized enterprises should universally establish scientific and technological development organs. We should continue to implement the "scientific and technological development plans for urban construction and management," further organize scientific and technological projects of demonstration of urban construction and the computerized urban management projects, and raise the urban management efficacy and modernization level. Continued efforts should be made to implement the "Torch Plan," with an emphasis in developing high-new technological undertakings such as optical fiber communications and electronic information, and make the rate of development of the high-new technological industry and the scope of increase in exports remarkably higher than the traditional industries. Third, we should do a good job in formulating the scientific and technological development plan for the Eighth Five-Year Plan period, and the tentative scientific and technological plans up to the year 2000, and guide and guarantee a coordinated development in the scientific, technological, economic, and social undertakings. Fourth, we should increase scientific and technological input, improve conditions for scientific research, and strengthen the capacity of scientific research institutes to serve the technological progress of various industries. We should implement the State Council's relevant policies, support the building and reform of the new-technology industrial development experimental zones, and promote cooperation between the new-technology enterprises and the state-run large and medium-sized enterprises. Continued efforts should be made to support the technology market and all kinds of scientific and technological organs, strengthen management, and guarantee their sound development. Fifth, we should further strengthen the work of the new advisory group of the municipal government, conscientiously run well all sorts of scientific and technological advisory groups and fully display their role in consulting policy decisions and giving scientific and technological guidance. Sixth, we should conduct follow-up education for scientific and technical personnel and enable them to have a good command of new scientific and technological knowledge and information and to unceasingly raise their professional level.

6. We should greatly step up building of the spiritual civilization and comprehensive improvement of the social environment, and greet the Asian Games with a brand-new look.

Greatly strengthening the building of the spiritual civilization is a long-term strategic task of the endeavor to build socialism with Chinese characteristics, and a success in building the socialist spiritual civilization in the capital is of a particularly great significance. The 11th Asian Games, the focus of world attention, will be held ceremoniously in Beijing from 22 September of 7 October. This will be the first time for our country to hold an international large-scale comprehensive sports games. A success in the Asian Games will not only improve the sports level of our country and the various countries and regions in Asia but will also promote the friendship and cooperation between Chinese people and the people of various countries in Asia, will display the long history and culture of our country and its tremendous achievements in socialist modernization, reform, and opening up, and will enable the entire world to see that China is unswervingly marching toward the four modernizations along the broad road of socialism and that no one and no force in the world can stop the steps of development and progress of the Chinese nation. A success in the Asian Games will also effectively promote the socialist material and spiritual civilizations of the capital. We should mobilize the people of various nationalities throughout the municipality to show concern and support for the Asian Games and make active contributions to it. While completing construction of sports facilities according to plan and in high quality and stepping up training of athletes, we should particularly strengthen the building of the socialist spiritual civilization and the comprehensive improvement of the social environment and greet the magnificent games with a brand-new social look characterized by civility, cleanliness, beauty, safety, and hospitality.

A. We should extensively publicize the significance in making the Asian Games successful to enhance the sense of responsibility of the people of various nationalities throughout the municipality.

The forthcoming grand Asian Games will be attended by 39 countries and regions in Asia, the largest number of participating countries and regions in the history of the Asian Games, and domestic and foreign tourists who come for sightseeing will also gather in Beijing. During the period of the Asian Games, large-scale international activities, such as an Asian art festival and an international sports science meeting, will also be held. We should make full use of the mass media and adopt various measures to publicize the great significance in making the Asian Games successful and create an invigorating atmosphere for the Asian Games.

Literature and art, press, publication, and radio and television departments should adhere to the orientation of serving socialism and serving the people, and the principle of letting a hundred flowers blossom and a hundred schools of thought contend, greatly advocate the outstanding culture of the Chinese nation and, actively learning from the foreign culture conducive to our country, strive to create, perform, broadcast, and publish a number of literary and art works, especially

those with the Asian Games as the topic, that are loved by the masses and imbued with the flavor of the nation and the style of China. We should carry out mass cultural and sports activities more extensively. Newspapers should have special columns and radio and television stations should open special programs to build up a strong momentum in order to enrich the people's cultural life.

Holding large-scale international sports games with the funds raised from society has become an international practice. We should also make the best use of this method to mobilize the people of various nationalities throughout the country to show concern and support for the Asian Games and to promote international friendly exchanges and economic cooperation and pool the efforts of all quarters to ensure the success of the Asian Games.

B. We should conduct in-depth education on patriotism to arouse the enthusiasm for loving the country and the spirit of making progress of the people of various nationalities throughout the municipality.

The forthcoming large-scale international sports games represent an overall test of the cultural accomplishments, moral standards, and mental outlook of the people of the capital. With development of the patriotic spirit as the topic, we should carry out extensive activities to "make the Asian Games win honor for the state and make ourselves add brilliance to the Asian Games," and make sure that in international exchanges, we conduct ourselves with dignity and self-esteem, be neither overbearing nor servile, be both friendly and cooperative, and safeguard the dignity of the motherland.

Fostering the "sense" of being the capital of our country and enhancing the sense of honor and responsibility in being the citizens of the capital represents the important manifestation of patriotic sentiment. With the Asian games as the basis, citizens throughout the municipality should whip up an enthusiastic upsurge in learning from the spirit of Lei Feng, vigorously stressing social morality and striving to be civilized residents, and should act as "representatives of the capital before domestic guests and of the PRC before foreign guests" so as to enable the capital to "play a leading role in the country" in building the socialist spiritual civilization. The municipal trade union council has scored good results in the patriotic emulation drive of making contributions to the Asian Games "by setting first-grade records and increasing economic results." To promote the building of the spiritual civilization, the municipal people's government has decided to set up a "spiritual civilization award" in honor of advanced personages who have made marked contributions to building the spiritual civilization in the capital and to the Asian Games.

C. We should enhance and improve the service work as well as upgrade the capital's service work level.

Providing first-grade services for the Asian Games represents the important component of enhancing the

building of spiritual civilization in the capital and also represents an important political task which has a vital bearing on our country's prestige and on the capital's image. Various industries and trades must attach great importance on service work, extensively conduct education on vocational ethics, enhance the high sense of responsibility and mission in winning glory for the motherland and the capital, and must improve the capital's service work to a new level. Personnel in charge of the five "major undertakings" of municipal public utilities, public traffic, commercial service, tourism, and of medical and public health should attend the training classes of on-the-job trainees with the major courses of vocational ethics and service standard and join in extensive training activities and technical and service contests. Efforts should be made to further improve the system of personal responsibility so as to enable all personnel to be responsible for their posts and to resolutely perform their duties and to enable all sub-standard personnel to step down from their posts. We should enhance or improve the standardized management, improve the service attitude, and achieve fine-quality services so as to greet the Asian Games with the best service.

D. We should enhance the work of improving the city appearance and environment and upgrade the standard of management over the city appearance and environment.

The emphasis of improvement should be placed on areas around the stadiums and gymnasiums of the Asian Games, on major streets through which events will take place, on major busy areas, on scenic and tourist areas, on residential areas, and on areas where work in improving city appearance is weak. We should remove all shabby houses along streets and repair various sign boards, bus stop booths, and rails. Efforts should be made to check various advertisements and slogan boards to eliminate wrongly written words and to standardize their characters. In improving the environment, we should enforce the responsibility system in work, assign duties to personnel, and resolutely realize the demands of cleanliness and neatness so as to strive to greatly improve the city appearance.

Public health departments should continue to implement the principle of regarding the prevention work as the main task; should further improve the network of public health and epidemic prevention; should pay close attention to the epidemic trend; should enhance the control of contagious diseases, such as hepatitis, verereal diseases, and AIDS; and should adopt effective measures to prevent the spread of various contagious diseases. Efforts should be made to launch on a large scale the patriotic sanitation movement; to mobilize the broad masses of citizens to actively eliminate rats and flies, to clear the garbage, and to improve the look of dirty and messy areas. We should strictly conduct supervision and inspection over food and foodstuff sanitation to prevent the occurrence of food poisoning. Efforts should be made to improve environmental pollution in an all-around

way and to continuously do a good job in doing 10 practical deeds for the masses. Prior to the Asian Games, the exhaust pipes of all motor vehicles in operation should be checked to see if they comply with the standard. Meanwhile, we should enhance the sanitation supervision and control of water resources to ensure the safety of drinking water.

The greening and beautifying work of 1990 should achieve a new breakthrough. A good job should be done in greening the areas around the stadiums and gymnasiums of the Asian Games, as well as the roads and overpasses along which events of the Asian Games will take place. We should also concentrate on greening 100 streets, 10 newly built roads, 10 scenic spots, and 15 parks in the municipality. In suburban areas, we should continuously and deeply carry out the activities of planting trees and do a good job in building the forest network of farmland and greening rural villages and towns. We should vigorously plant trees in scenic areas, in areas endangered by sandy wind, and on bare mountains so as to further improve the capital's ecological environment.

E. We should strengthen security, comprehensively improve the social order, and create a good social environment.

Establishing a good social order is one of the important targets for building socialist modernization in the capital and an important guarantee for smoothly carrying out the Asian Games. We should continue to deal strict blows to all sorts of criminals and resolutely eliminate social repulsive acts and law-breaking criminal activities such as prostitution, visiting prostitutes, manufacturing, selling, and spreading obscene articles, abductions and trafficking in women and children, privately planting, taking, selling, and transporting narcotics, gathering the masses to gamble, and using feudal and superstitious means to cheat money or harm people; strictly check the acts that result in the loss of national and personal dignity, such as reselling foreign exchange for higher profit, withholding foreign exchange, following at the heels of foreign guests to force them to buy or sell things or to extort money or articles from them; strengthen management over the cultural market and grasp the antipornographic work deeply and continuously; strengthen security measures in stadiums and gymnasiums for the Asian Games, in places where the athletes live, tourist and scenic places, the airport and railway stations, strengthen border checkups and customs inspections, and prevent bad persons from creating disruption and trouble.

We should strenuously rectify traffic order and guarantee traffic safety and smooth traffic. Efforts should be made to comprehensively rectify traffic order with a focus on rectifying the traffic order of bicycles, strictly manage and scientifically direct traffic in line with the law, and realistically grasp the work until it yields good results.

At present, the Asian Games preparatory work has entered a period of tackling the most difficult problems. All departments concerned should never slacken their efforts in this regard. It is necessary to scientifically and carefully arrange for all work, including safeguarding facilities, improving the environment, supplying commodities, rendering services, giving public health, epidemic prevention, medical and first-aid services, strengthening traffic, fire prevention and security work, training personnel, organizing competitions, and carrying out post, telecommunications, and news reporting work, to conscientiously and carefully inspect the work, and gradually implement it little by little. We should implement the principle of practicing economy and paying attention to beneficial results and strive to reduce state expenditures. All Asian Games personnel should promote the spirit of "making selfless dedicated efforts, engaging in arduous struggle, developing unity and cooperation, and creating the best record," make all-out efforts and actively and properly prepare for all fields of work.

The Asian Games are approaching. The time which the people of various nationalities throughout the municipality are looking forward to, after exerting strenuous efforts, will come very soon. We will not disappoint the trust of the CPC Central Committee and the State Council and the hopes of the people of various nationalities throughout the country and the people of Asia; we will be good hosts; we will greet the distinguished guests warmly; and we will make the 11th Asian Games a success.

Fellow deputies: Reviewing the past year, we have made a firm step forward on the road of realizing the grand goal of achieving socialist modernization in the capital. At present, there are still many difficulties, but they have occurred under a situation in which the national economy has greatly developed and the people's livelihood has remarkably improved and are the temporary ones on our way ahead. We have plenty of room for maneuver for overcoming these difficulties more than at any period in the past. History has entered the first spring of the 1990's. The last 10 years of this century will be the 10 years for realizing the second step of the fighting objective of the economic development strategy put forward by the CPC Central Committee and the period for laying a good foundation for winning victory in the third step. Looking into the future, we are full of hope and confidence. Let us closely rally around the party Central Committee with Comrade Jiang Zemin as the core under the guidance of the spirit of the Fourth and Fifth Plenary Sessions of the 13th CPC Central Committee, wholeheartedly rely on the working class, unite with the people of various nationalities throughout the municipality, unswervingly adhere to the four cardinal principles, which is the foundation for building the country, firmly follow reform and opening up which is the way leading the country to prosperity, enhance unity, and win new victories in the capital's socialist modernization undertakings with one heart and one mind.

Beijing Mayor Discusses Construction in Capital

OW2604081190 Beijing XINHUA Domestic Service
in Chinese 1209 GMT 19 Apr 90

[By Xu Renzhong (1776 0086 0112)]

[Text] Beijing, 19 Apr (XINHUA)—The scale of capital construction in the Beijing area this year is about the same as last year. No arrangements have been made for the construction of luxury buildings or projects outside state plans. About 400 to 500 square meters of housing are scheduled for completion this year. This was disclosed by the 11th Plenary Session of the Committee for the Planned Construction of the Capital today.

In 1989, the total amount of fixed assets investment in the Beijing area was smaller than in the previous year. The units of completed housing covered floor space of 10.47 million square meters, and the completion rate was 3 percent higher than in 1988. The construction of Asian Games projects and other key projects proceeded on schedule. While continuing to implement the principle of improving the economic environment and rectifying the economic order, Beijing Municipality will further adjust its investment pattern this year. Plans call for the resumption of construction of workers' quarters with a total floor space of over 20 million square meters, about 8 million square meters of which are new housing projects. Moreover, construction of a number of badly needed infrastructure projects, such as water, electrical, gas, heating, road, and bridge projects, will be increased. In addition to completing the Asian Games projects, funds will be concentrated to ensure the completion of other key construction projects.

Speaking at the meeting, Chen Xitong, chairman of the committee and Beijing mayor, said that in building the capital, it is necessary to integrate the transformation of the old city with the construction of new districts, while preserving the appearance of the old city. It is necessary to carry on the reform of living quarters and to be mentally prepared for "long-term construction."

Beijing Colleges Mark 4 May Anniversary

OW0405184790 Beijing XINHUA in English
1500 GMT 4 May 90

[Text] Beijing, May 4 (XINHUA)—Various activities were held today at Beijing colleges to mark the 71st anniversary of the May 4th Movement.

Symposiums on "Patriotism and the Road for Intellectuals To Grow Up" and "The May 4th Tradition and the Road of Life" at Beijing University and Beijing Normal University attracted many students.

About 10 thousand Qinghua University students held discussions with former students about the ideals and practices of Chinese intellectuals.

A speech given by Chinese Communist Party leader Jiang Zemin was a major topic on campuses today.

Tian Qibo, a graduate student in the Philosophy Department of Beijing University, said he was excited after hearing the speech Jiang made yesterday.

He said patriotism is in keeping with socialism in China and college students should go to grass-roots units to understand the real situation of China and the Chinese people.

Zhu Feng, a Ph.D candidate in international politics at Beijing University, said young intellectuals in China should go through ideological transformation before they mature and engage in serving the country.

Beijing To Further Develop Rural Enterprises

OW2304052190 Beijing XINHUA in English
1355 GMT 21 Apr 90

[Text] Beijing, April 21 (XINHUA)—The Standing Committee of the Beijing Municipal People's Congress today approved a resolution that rural enterprises in suburban Beijing should be consolidated and further developed.

Over the past 11 years, about 20,000 rural enterprises employing 872,000 workers have been set up in suburban Beijing.

Bai Youguang, director of the Agriculture Production Office of the Beijing Municipal Government, said Beijing's rural enterprises are engaged in five major industries, including construction, transport and agriculture-oriented manufacturing.

Bai said the development of rural enterprises has provided job opportunities for surplus rural labor.

He said Beijing's rural enterprises have also contributed to the construction of some small towns around Beijing and farmers as well as urban residents have benefited from their development.

Xing Chongzhi on Agricultural Development

SK0904122090 Shijiazhuang HEBEI RIBAO
in Chinese 4 Mar 90 p 2

["Excerpts" of speech by Xing Chongzhi, secretary of the provincial party committee, at provincial agricultural work conference: "Make Concerted Efforts and Do Solid Work To Achieve New Breakthroughs in Our Province's Agricultural Development"]

[Text] I would like to touch on several views from the angle of how to enable party committees at all levels to lead agriculture and rural work.

1. Firmly Foster the Guiding Ideology of Taking Agriculture as the Foundation

The fifth plenary session of the 13th party Central Committee pointed out: "Realizing stable agricultural development is a foundation for economic, political, and social stability, as well as an issue affecting the safety of

the country." This is an important conclusion that we made after profoundly summing up the international and domestic experiences and lessons. Recently, Comrade Jiang Zemin also pointed out that we should not treat the agricultural issue "as a mere economic issue. Instead, it should be treated as a political issue." "We should understand, stress, and strengthen agriculture from a political angle." "It is necessary to firmly establish a guiding ideology of persisting in taking agriculture as the foundation for a long time at all levels, from the higher to the lower levels, throughout the country."

Why does the party Central Committee stress that the agricultural issue is an important political issue and an issue concerning the overall situation? We know that doing domestic work well and maintaining stability at home constitute the current overriding task. As a country with a great proportion of agricultural population as ours, to stabilize the overall situation, we must stabilize the rural areas; and to stabilize the rural areas, we must guarantee a stable agricultural increase. Particularly, since our province is a big agricultural province and one of the major producers of wheat, corn, cotton, and preserved and fresh fruits, agricultural development has a bearing not only on the stability of the whole province, but has also exerted some influence on Beijing, Tianjin, and the whole country. We should sober-mindedly recognize that although our province has achieved some development over the past few years, it still cannot meet the needs in various aspects. How to end the stagnant situation in grain and cotton development is an issue affecting not only the comprehensive development of the rural economy but also the entire national economic situation and political stability. We should also sober-mindedly recognize that although we have many favorable conditions for our province's agricultural production, there are also some factors restricting its development. The first is natural resources. Since the founding of the country, our province's average per-capita cultivated land has decreased from 3.5 mu to 1.7 mu. By the end of this century, the reclaimable wasteland that can be used for farming will be about 1 million mu. If we fail to adopt effective measures to solve this, the contradictions of the population increasing and the land decreasing will become more acute. The serious shortage of water resources is also an outstanding factor restricting agricultural production. The second is the ecological environment. The ecosystem of our province's plateau and mountainous areas is fairly poor, the forest coverage rate is low, the soil eroded areas are big, and wind erosion is serious in the grasslands, thus resulting in frequent natural disasters and affecting the vast flatlands on the lower reaches of many rivers. Improving our province's agricultural ecological environment is an arduous undertaking requiring the efforts of several generations. The third is the macroeconomic environment. During the past few years, the supply of agricultural capital goods was not in demand, the scope of price hikes was fairly big, and the cost of agricultural products increased. To improve this situation, we must improve the pricing

system and consolidate the circulation order, and to achieve this, we need a fairly long period of arduous efforts.

To sum up the aforementioned factors, it is extremely important, urgent, and arduous to stress, strengthen, and develop agriculture. We must act in line with the demands of the party Central Committee, mobilize comrades of the entire party, cadres, and workers of all departments, and social resources to push agriculture forward with concerted efforts. We must not consider agriculture as a matter of the agricultural department only, but the common task of the party committees and governments at all levels and of various departments. Departments concerned should maintain close cooperation and form a joint force. They must not do it just in words but must put it into practice. They must realistically solve problems cropping up in the course of agricultural development. We must prevent and overcome all sorts of short-sighted behavior and must not think about agriculture only when we have difficulties and forget about it when the situation improves, or grasp agriculture during a poor harvest and minimize it when there is a good harvest. We must always persist in the guiding ideology of taking agriculture as the foundation, grasp it with unswerving efforts, and never slacken our efforts at any time. It is necessary to fully mobilize the broad masses of people to promote the spirit of self-reliance and arduous struggle. During the 1990s, we must first exert efforts to enable our province to have a new development in agriculture during the period of improvement and rectification.

2. Rely on Scientific and Technological Progress, Raise the Overall Efficiency

An important way to overcome the factors restricting agricultural production and ensure its sustained development is to rely on scientific and technological progress, tap the potential for upgrading technology and improving management, and raise the overall efficiency. Comrade Deng Xiaoping pointed out that science and technology are the first productive forces, that science is a great thing, and that agricultural problems may ultimately be solved through science. We should have a profound understanding of Comrade Deng Xiaoping's scientific thesis and carry out the strategy of developing agriculture through science and technology.

In implementing the strategy of developing agriculture through science and technology, the most important thing at present is to popularize the existing scientific and technological achievements in large areas. In the past few years in our province, about 500 scientific and technological achievements concerning agriculture passed assessment every year, of which about 300 were awarded. A number of achievements helping to increase output and reduce cost emerged in both plateau areas and plain areas, and in both high-yielding areas and low- and medium-yielding areas. A number of very promising new strains of grain and cotton have been bred successfully. The per-mu yield of a new hybrid wheat, which

combines numerous advantages, reaches 1,200 jin. This is a new breakthrough in the cultivation of wheat strains. Utilization of the advantage in hybrid cotton will also transit from the stage of research to that of large-area popularization. We should seize the opportunity to apply the existing scientific and technological achievements to various links of production and plots of farmland, so as to turn them into productive forces.

Summarizing the methods of various localities, we should fully boost the enthusiasm of the following eight forces. First are educated youths returning to rural areas. There are 5 million middle school graduates in the rural areas throughout the province. If they are trained to master one or two applicable techniques, they will become a new force for popularizing science and technology. Second are specialized technological associations and societies of peasants. Most of such organizations are led by rural technical personnel and joined by peasant households on a voluntary basis. As cooperative organizations serving peasants themselves, they have a very strong vitality. Party committees and governments at various levels should vigorously support and actively guide them, and help them improve their management systems so that they will truly accomplish something. Third are science and technology demonstration households. They constitute a good model in popularizing science and technology after the institution of the household output-related contract system in rural areas. Fourth are town and township agrotechnical stations, including veterinary stations and farm manure stations. Such stations "gave prescriptions" and "sold drugs" in the past few years, not only teaching scientific and technological knowledge and training technical personnel, but also selling fine seeds, alkaline farm fertilizer [wei fei 1792 5142] and pesticides. We should adhere to and continuously improve the method of "focusing businesses on popularization of science and technology, and improving businesses to promote the popularization." Fifth are the comprehensive technical, administrative, and material contracting groups organized jointly by relevant functional departments at and above the county level. As has been proven in practice, organization of such groups is an effective measure to popularize scientific and technological achievements in large areas under the current circumstances of shortages of the means of agricultural production. It also has a great significance in changing the functions of these departments. The problem is that we should carry out the work in a down-to-earth manner. Scientific and technical personnel joining the comprehensive contracting groups should eat and live in rural areas, and go to farmlands to render service. Material, supply and marketing, and banking departments should guarantee the supplies of materials and funds needed in technological popularization in line with the requirements of the contracts. Village-level organizations should give the supporting service in mechanized farming and irrigation. Government leaders should strengthen organization, coordination, inspection, and guidance. Sixth are agricultural and vocational technical middle schools. As an important

bastion to improve the quality of peasants and popularize agroscientific knowledge, they should be operated successfully. Their curricula should be decided in line with local needs, their school terms may be short or long, and their students should master at least one or two applicable techniques. All localities should actively popularize the "three plus one" school operation method, that is, holding one-year specialized technical courses for junior or senior middle school graduates who do not enter a higher school. Education commissions should regard it as a major task, compile teaching materials and organize training of teachers for the courses. Governments of all localities should open up wide channels and raise funds to enable the schools to support their courses and attain financial self-reliance. The seventh are agricultural universities and agricultural secondary and vocational schools. We should promote the experience of Hebei University, serve the rural areas and peasants, and go to the rural areas to establish bases or connection points where long-term teaching is combined with scientific research and production. We should exert efforts to cultivate outstanding personnel who are good at conducting scientific research and popularizing agricultural findings, and who have good relations with the peasants. The eighth are agricultural scientific research units. They are important forces contributing outstandingly to invigorating our province's agriculture with science and technology. Party committees and governments at all levels should show greater concern for and support them, create better work conditions for them, and enable them to make greater contributions. Last year, our province established the highest science and technology award—the governor special award. This award system should be upheld for a long time. We should also think of properly expanding the scope of giving awards and present the flowers of honor to more creative laborers.

In order to better organize and mobilize these eight forces in favor of invigorating agriculture by applying scientific and technological achievements, governments at all levels should begin the work with the higher levels, make overall arrangements for and coordinate the relations among popularization of agricultural technology, scientific research and teaching, make careful plans, clearly define the tasks, establish close cooperation, assign responsibilities to each level, avoid unnecessary overlapping of duties in various enterprises and departments, and prevent the decentralization and wastefulness of scientific research forces and funds. We should select some major scientific research projects that affect the overall situation and organize province-wide and large-scale cooperative efforts to tackle them. We should exert efforts to solve the problems of imperfectness, weakness, and backward means of popularization in some township and village scientific and technological popularization organs, smoothly disseminate science and technology to the broad masses of peasants and to all families.

3. Strengthen the Building of the Rural Service System

Peasant households need not only scientific and technological services during production and operation but also other services. These services are always closely connected. How to establish and perfect the rural socialized service system has become an issue sharply facing the party committees and governments at all levels and a basic task which the rural areas must grasp.

Over the past few years, the voice of peasants crying for services has grown stronger. This is a reflection of the intensification of the contradictions between the small-scale production of all peasant households and the increasingly developed markets. Without organizing perfect socialized services in the rural areas, there will be a lack of links between production and the markets, the plans will become ineffective, the markets will become disorderly, and peasants will suffer undue losses. Organizing socialized services is one of the basic ways to lead and organize the decentralized small-scale production to gear to market needs. In Comrade Mao Zedong's article, "Organize Together," he pointed out that comrades doing local work should understand the feelings of the masses and help them organize production and improve livelihood. They should first use "90 percent of their energy to help the masses solve their problems on using local grain to save the people, and then use 10 percent of energy to help the masses solve the problems on delivering public grain for national salvation." If we fail to properly handle the relationship between "90 percent" and "10 percent," use our main energy on pressing for grain delivery, collecting unwarranted funds, and pay little attention to the production services, which peasants urgently need, we will seriously separate ourselves from the masses of peasants. Judging from the actual situations in the rural areas, villages that did a good job in services had rapid production and development and better-developed cultural, educational, sports, and welfare undertakings. Their cadres enjoyed higher prestige, had effective plans, and achieved good results in conducting ideological and political work and sound development in the general village atmosphere. On the contrary, some village cadres asked more from the peasant households but gave them little. Some even only took things from peasants but gave them nothing. These kinds of cadres are not appealing. This shows that developing and improving the rural cooperative service organizations, establishing and perfecting the rural socialized service system are urgently needed for developing agriculture, uniting with peasants and building the rural areas. They have a bearing on the implementation of the party's basic line in the rural areas and the following of the socialist road with Chinese characteristics in the rural areas. From this perspective, we should unify the thinking of the leading members of the party committees at all levels, comrades of the entire party and the broad masses of cadres, and consider this work as an important task for deepening rural reform and as one of the party's basic tasks in the rural areas.

In establishing and improving the rural service system, we should start with the village level, and the village level should start with the services in irrigation, mechanized farming, and treatment of insect pests, which are urgently needed by peasants. Judging from the situation of some villages, it is not very difficult to start these services. As long as village cadres have the enterprising spirit and truly hold their responsibilities, difficulties can be resolved. The most basic village-level services should be developed this year, whatever happens. County and township party and government leading comrades should personally attend to this work, and send competent personnel to every township and village to inspect, guide, and help with specific work. Some economic strength is required in developing the village-level services. How can the collective economy be developed and expanded? First, we should make the best use of the original public accumulation. For example, we should straighten out financial accounts, collect debts, muster collective funds that can be used, and establish township and village cooperative funds. We should collect depreciation funds for such large fixed assets as collective pump wells and machines. We should also lease out such idle collective property as houses, threshing grounds and equipment, and collect leasing charges. Second, we should establish new public accumulation systems. For example, we should improve the land, mountain, forest, orchard, pond, and enterprise contract responsibility systems, collect contract funds according to stipulations, collect funds for the use of land in housing construction, collect proper service charges for the supply of the means of production and marketing of farm products, and establish the system of labor accumulation. Third, we should open up new fund resources. We should adopt various measures to successfully develop agricultural resources. We may develop collective crop and livestock farms, forest farms or orchards, or enforce the system of contract by large households individually or several households jointly. We may also absorb the funds and technology of state enterprises and institutions to carry out development projects jointly, apply the shareholding system to the management, and draw dividends according to shares. When conditions permit, we should actively establish new village-run industrial enterprises or buy shares of such enterprises. Although we have certain difficulties in developing the collective economy, we certainly will be able to develop and expand the collective economy as long as we exert unremitting efforts to accumulate little by little.

Services at the town and township level should be focused on the areas that village-level services cannot cover, or cannot be carried out successfully, such as cultivation of fine seeds, agrotechnical training programs for peasants, forecast, prevention, and treatment of insect pests, spread of market information, supply of the means of agricultural production, and transportation and marketing of farm and sideline products. The centers or stations established in towns and townships by the departments directly under counties can do a lot of

work in these areas. For example, some grass-roots supply and marketing cooperatives are much welcomed by peasants because they actively popularize the new technology concerning scientific application of fertilizer in addition to supplying chemical fertilizer to peasants. This year, we should emphasize the rectification of these centers and stations, resolutely check their numerous unhealthy trends of cheating peasants, and truly bring them to the track of serving peasant households. All pertinent departments should actively coordinate with town and township party committees and governments to successfully carry out this work. Towns and townships where conditions permit may establish the service organizations joined by agricultural, industrial, and commercial departments, and turn them into bridges linking peasant households with the market.

County-level services should be dedicated to the establishment and improvement of the various service systems in an effort to develop regional specialized, serialized, and commercialized production. Departments directly under counties should actively change their functions, separate some administrative personnel, mainly scientific and technical personnel, from administrative units, and allow them to establish technical and economic entities for the purpose of rendering service, which should be extended to lower levels to form a specialized and serialized service network that links with townships, villages and households, and that coordinates production, supply, and marketing. In this way, not only can the rural commodity economy be promoted and the strength and means of service of these departments be strengthened, but also scientific and technical personnel can fully develop their talents. All counties should start this reform, which has a significance in many aspects, this year, and achieve good results from it.

4. Give Full Play to the Role of Grass-Roots Party Organizations as Fighting Bastions

In making the various services in rural areas successful, the key is to have good grass-roots party organizations and good leaders. We should broaden the channels for personnel selection and the field of vision, and adopt all possible means, such as "selection within a certain organization," "assigning by higher levels" and "asking transferred personnel to come back," to install in grass-roots leading bodies people who are clean and honest, and impartial and competent, and those who are close and beloved friends of party members and the public. Meanwhile, we should adopt various effective methods to educate party members with the party's basic knowledge, basic line, purposes, and ideals to improve their ideological and political quality so that they will take the initiative in developing their leading and exemplary role. We should also improve and strengthen the organizational management of party members to suit the changed conditions. Based on the characteristics and posts of party members, some rural party branches in Handan City established "party member work groups" to carry out ideological and political work among the masses, and

social work. For example, they put veteran party members in the "groups to participate in and discuss state and government affairs," party members with certain skills in the "groups to help poor and difficult households," party members demobilized or retired from the Army in the "joint public security defense groups," and party members with high prestige among the masses in "civil mediation groups." These work groups are also new party groups to enable party members to develop their role and carry out the regular activities of their organizations simultaneously. Such a method is worthy to be promoted.

In strengthening efforts to improve grass-roots organizations, the major task for the present is that we should work out specific measures. In Fuping and Dingxing Counties, the Baoding Prefectural party committee organized 1,500 prefectural, county, and township cadres to live in the households of the public under the leadership of the party secretaries at these three levels to conduct in-depth and meticulous investigations. We suggest that other prefectures and cities do the same. County party committees should investigate the situation of the leading bodies of all the villages of a township, and town and township party committees should also investigate the situation of the leading bodies of several villages of different types. Through the investigations, they should clearly understand the true situation of various types of party organizations, and work out overall plans and specific measures to consolidate the advanced organizations, improve the ordinary ones, and rectify the backward ones, and achieve good results in this work.

In improving rural party branches, we should mainly rely on the efforts of town and township party committees. At present, some town and township party committees are busy coping with rush jobs, and have no time for the work to improve village-level leading bodies. Leaving such a situation unchanged, the passive situation in rural work cannot be fundamentally changed. To enable town and township party committees to concentrate their efforts on improving village-level party organizations in a systematic manner on a regular basis instead of a sporadic manner, we should conscientiously conduct reform of town and township systems through "fixing the responsibilities, linking profits to responsibilities, and delegating power to lower levels." Departments at higher levels must not arbitrarily assign work to towns and townships and exercise leadership over town and township party committees and governments. If there is really work to be assigned, they should report to county party committees and governments and let them make unified arrangements. Every township-level leading person should hold the responsibility for the work of one or two backward villages, and other town and township cadres should also select some villages in line with their vocational work and stay at the villages to guide their work. Cadres holding the responsibilities for the work of villages should exert efforts to improve the village party branches. The responsibility system should be strictly enforced in this work, and how the situation of the

villages is changed should be taken as a major criteria for judging the performance of towns and townships.

We should enforce the system under which the departments directly under counties are responsible for the work of villages and the system under which office cadres are sent to grass-roots levels. Every department should be responsible for a village, and its tasks are: 1) To build a good leading body; 2) to discover a road leading to prosperity and render good services; and 3) to attend to the building of the spiritual civilization. A county has 60 to 70 departments staffed with 1,300 to 1,400 cadres. If assistance is provided to 60 to 70 villages persistently for several years, a great change will take place in the rural areas of the entire county. All prefectures, cities, and counties should carry out this work in a meticulous manner.

5. Strengthen Leadership and Vigorously Implement the Work

The implementation of the strategy on vitalizing agriculture by applying scientific and technological achievements, the building of the service system in the rural areas, and the establishment of rural grass-roots party organizations are the three major tasks of the rural work during the 1990s, particularly during the period of improvement and rectification. The key to effectively implementing these three major tasks lies in strengthening leadership. During a meeting with comrades attending the conference to exchange experiences in agricultural comprehensive development, Comrade Jiang Zemin pointed out: Concerning agriculture, "The provincial and city party committees should first grasp it and the party and government top leaders should also grasp it." "Leaders of prefectures and counties in particular should concentrate their main energy and the focus of their work on grasping agriculture and rural work." To realize this requirement, we must have a big readjustment and improvement in terms of the division of labor among leaders and the leading methods.

First, we must make the emphasis outstanding. The whole province should grasp these three major tasks well. We should determine what to grasp particularly in various prefectures, cities, and counties in line with local conditions and based on investigations and study. After this conference, responsible comrades of various prefectures, cities, and counties should at least devote 10 days to going deeply to villages and peasant households to extensively listen to opinions from grass-roots cadres and peasants and from scientific and technical personnel, and determine what major work should be grasped in their own localities, to what degree they should grasp, what methods they should adopt, who is going to grasp the work, and how to implement the work. They should put forward practical demands and measures and then work out plans.

Second, we must clearly define responsibilities. All prefectures, cities, and counties should implement strict a responsibility system in doing substantial things.

Leading bodies of the party committees and governments should take responsibility for attaining the expected requirements. The top leaders of the party and government organs should take full responsibility for this. Under the collective leadership of the party committee, a deputy secretary or a Standing Committee member or a deputy county head should be assigned to particularly grasp rural work and agricultural production. In addition to taking charge of comprehensive coordination, they should also often go to the grass roots to inspect, guide, and supervise each and every village in its building of grass-roots organizations, implementation of rural policies, and carrying out of all sorts of service work. Other leading members of the county party committees and governments, regardless of what work they are in charge of, should also go to some townships and villages to grasp the major tasks defined by the county party committees and should guide their own departments to better serve the central tasks in the rural areas. Comrades of the people's congresses, the Chinese People's Political Consultative Conference [CPPCC] committees, and the discipline inspection commissions, if their health permits, should also establish ties with a village or a township and help the grass-roots cadres successfully carry out their rural work. It is necessary to establish effective organs under the leadership of the party committee and government. The provincial party committee has decided to turn the Rural Policy Research Office into the Rural Work Department and the provincial government to establish an agricultural office. The principal tasks of the Rural Work Department are to implement various rural policies of the party, promote rural reform, and cooperate with departments concerned to successfully build the rural grass-roots leading bodies. The principal tasks of the agricultural office are to successfully grasp comprehensive coordination in the rural economy and to guide all departments to give all sorts of services needed by peasants.

Third, we must concentrate energy on the work. We must make the emphasis of the work outstanding. All major things decided by the collectives must be grasped to the end by the principal responsible persons. We must not be busy every day but we must do fewer and more substantial things. We must also reduce the number of meetings. Leading cadres at all levels, particularly the principal leading cadres, should perform their administrative work honestly, diligently, and simply. The provincial authorities should begin with this work first.

We should first formulate the following measures: 1) Meetings of the provincial level departments should be self-sponsored, and only leading personnel of departments can deliver speeches on making work arrangements. The leading comrades of the provincial party committee and people's government do not need to attend these meetings and do not have to deliver speeches. Meetings sponsored by the provincial level departments may be attended by the responsible comrades of prefectural and city departments concerned. 2)

The participation of leading comrades of various prefectures and cities in the meetings sponsored by the provincial party committee and the provincial people's government should be approved by the secretary of the provincial party committee and the governor of the provincial people's government. Some matters can be dealt with without holding meetings but by informing the subordinate units by issuing documents, and urgent matters can be dealt with by informing the subordinate units through telegrams or by convening a telephone conference. 3) The spirit of meetings sponsored by the provincial authorities with the participation of representatives from various localities should not be relayed by holding a meeting at every level. By no means should we require localities to hold a meeting on the same scale. The decision on adopting what measures to implement on the spirit of the meetings and on how to relay the meetings' spirit should be made by localities themselves. The yardstick in measuring the achievements scored by the subordinate units in implementing the meetings' spirit mainly lies on effects and not on forms. 4) Work of the provincial level departments should be done by them and their subordinate units. By no means should they assign all work to their subordinate party committees and governments. If more than 100 provincial level departments issue orders to prefectures and cities on dealing with the matters concerned, they will indeed be unable to bear the burden. Various prefectures, cities, and counties, by proceeding from their reality, should also study some measures to realistically deal with the problems concerning excessive documents and meetings so as to give leading comrades at all levels more time to carry out investigation and study at grass-roots levels and to do practical deeds for the masses.

Fourth, departments should be coordinated with each other. Comrade Jiang Zemin pointed out that in developing agriculture, "Departments concerned should consciously go into action and closely coordinate each other. By no means should they blame one another and shift responsibility onto others." According to the arrangements made by the local party committee and government, each department, by proceeding from its reality, must formulate its own plan for rendering service for the grass-roots level units and do practical deeds for them during the year. Every practical deed done by the department should be reported to the party committee and the government for examination and filing and should be printed in the newspaper in order to make it public and to accept supervision from the masses. The leading personnel of counties should hear the briefing in a regular manner on the work done by the departments in rendering services for the masses and should invite the responsible comrades of townships and towns to participate in the briefings to appraise the work. Zaozhuang County appraised the services rendered by its subordinate departments for grass-roots level units biannually and carried out general appraisal at the year's end. In carrying out appraisal, the county had the participating comrades from various townships and towns cast their

votes. Such a practice has played a role in prompting the departments to improve their work style and services.

The current situation of our country is good and stable. However, it has pressure from outside and encounters inner difficulties. In facing such a situation, we must not lower our guard. In overcoming the difficulties, we should rely on the support and trust of the people and on the flesh-and-blood ties between the party and the masses. Our party has depended on the following two principles in establishing flesh-and-blood ties with the vast number of people: One is that the party's line, principles, and policies have represented the fundamental interests of the overwhelming majority of the people. The other is that the broad masses of party members have gone deep into the masses, organized the masses by setting examples in doing things, and had the masses discern their own interests and consciously wage a struggle for their own interests. The principles and policies formulated by our party since the Third Plenary Session of the 11th CPC Central Committee have been correct. Cadres at all levels must go deep into the masses in rural areas to conduct the work of ideology, politics, and organizations among peasants and to do a good job in carrying out the three major tasks of rural work.

Hebei Governor on Agricultural Development

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[Excerpts] The major purposes of this conference are to study ways to implement the guidelines of the fifth plenary session of the 13th party Central Committee, the eighth (enlarged) plenary session of the third provincial party committee and the national meeting to exchange experiences in comprehensive agricultural development, and to study ways to further promote our province's agriculture so as to maintain a sustained and stable development in the rural economy, and lay a good foundation for further carrying out the endeavor of improvement, rectification, and in-depth reform.

1. Our Province's Agricultural Situation

Generally speaking, our province's agricultural situation is in good shape. Since the founding of the country, especially since the third plenary session of the 11th party Central Committee, the province has made great development and notable achievements in agriculture. Grain output has increased from some 4.5 billion kg in the early post-liberation period to more than 20 billion kg, and cotton output from 2.1 million dan to more than 10 million dan. The output of other major farm and sideline products has also grown by several times or tens of times. Comprehensive development has been achieved in forestry, animal husbandry, sideline production, and fisheries, and the living standard of peasants has improved notably. We conquered numerous natural disasters, such as windstorms, hailstorms, drought, and waterlogging, and reaped a good harvest last year. Grain output totaled 20.685 billion kg, an increase of 460

million kg over the previous year, and an all-time high. The annual per-capita net income of peasants was 589.4 yuan, an increase of 7.8 percent.

Our province also faces many difficulties and problems in its agricultural development. First, the contradiction between the supply and demand of farm products becomes more and more conspicuous. From 1979 to 1987, the province's grain output stayed at less than 20 billion kg. In 1988 and 1989, it exceeded 20 billion kg. However, because the province's population grew by 700,000 to 800,000 and grain consumption rose by several hundred million kg a year, the increase in grain output lagged far behind. The per-capita share of grain of the province rose to 356.45 kg in 1985, but dropped to 354.3 kg in 1989. The situation in the supply and demand of cotton was even more rigorous. Second, the basic conditions for agriculture are weak, and the strength for sustained development is lacking. Over the past 5 years, the amount of cultivated land has declined roughly by more than 200,000 mu every year. Although land was developed in greater amount and at a quicker speed, the trend of a reduction in land has yet to be radically changed. Repair of farmland water conservancy facilities was undertaken just 2 years ago. Being out of repair for many years, many facilities cannot yield any benefits, and the acreage of irrigated land has not increased much. Third, there are also many problems in the external environment for agriculture. There is an imbalance between industry and agriculture, irrational prices of farm products, insufficient supplies of means of agricultural production and price rises. There is also an arbitrary demand for money, which increases the burden on peasants and affects their enthusiasm for production. These are all factors hindering our province's agricultural development.

Our province has great potential for agricultural development. Over the past few years, the guiding principles for our province's agricultural development have been clear and definite, and the roads we took have also been clear. We have also explored and mastered some experiences in increasing the production of some major farm products, such as grain and cotton. Judging from the current conditions, first, among the 98.4 million mu of the cultivated land of the province, more than 70 million mu are low- and medium-yielding land whose per-unit yield is lower than 250 kg. After initial transformation, if their per-mu yield of grain is increased by 50 kg on average, the grain output of the province can be increased by more than 3.5 billion kg. Second, we have great potential for increasing output through science and technology. For instance, if the technique of patternized cultivation is applied to wheat and corn, their per-mu yields can be increased by 25 and 40 kg, respectively. The per-mu yield of ordinary hybrid corn is some 100 kg more than the strains adopted by peasant households, and that of fine strains is some 100 kg more than the ordinary strains. If the method of plastic sheet mulching is applied to cotton fields, the per-mu yield of ginned cotton can be increased by 15 kg. Third, we also have

great potential for increasing production through rationalizing the structure of crops, improving the cultivation systems and, in line with specific local conditions, popularizing such cultivation methods as interplanting and intercropping, and integration of cotton and wheat to increase the multiple crop index. Fourth, our province has more than 38 million mu of barren hills and land suitable for tree planting, and more than 43 million mu of grass hills and land, 1.2 million mu of fresh-water areas and more than 1.6 million mu of coastal beaches that can be developed. [passage omitted]

2. Major Tasks for Our Province's Agricultural Development

Our tasks for agricultural development, basically speaking, are to build a solid and reliable foundation for agriculture, to truly give play to the position and role of agriculture in the national economy, and to push forward agriculture as quickly as possible so as to use it to lead and facilitate the improvement and development of the other branches of the national economy.

Reaping a bumper harvest this year is the pressing task for the present. The provincial planning conference decided preliminarily that this year's grain output should reach 21 billion to 21.4 billion kg, of which the output of wheat should be 9 billion to 10 billion kg, cotton output should reach 12.5 million to 13.5 million dan, and the output of oil-bearing crops should reach 700,000 tons. In addition, the output of meat should be 1.22 million tons, that of aquatic products 200,000 tons, and the acreage of tree planting 300,000 hectares. To fulfill these planned targets, we should further study and improve the agricultural policies and boost peasants' enthusiasm for production. Grain areas should be stabilized to ensure that the areas sown to grain exceeds 100 million mu; 13.46 million mu of areas sown to cotton, an increase of 1.46 million mu over last year, should be ensured; and the areas sown to oil-bearing crops should reach 9.5 million mu, an increase of 780,000 mu. The provincial financial department and banks should increase their funds in support of agriculture, and all prefectures, cities, and counties should also give the priority of their financial allocations to agricultural development, and properly increase the funds in support of agriculture, and agricultural loans. This year, every laborer in rural areas should devote no fewer than 20 days to construction of farmland water conservancy projects. The province should transform 1.7 million mu of low- and medium-yielding farmland this year; develop 250,000 mu of wasteland to plant grain and cotton, of which 80,000 mu for nonagricultural purposes should be deducted, making the net increase of cultivated land total 170,000 mu; and restore and expand irrigated land, totaling 1.24 million mu. We should actively popularize conventional techniques. This year, farmland whose per-mu yield reaches one ton should be expanded to 1 million mu, cotton and wheat integrated cultivation should be applied to 2.5 million mu of farmland, and plastic sheet mulching should be applied to 3 million mu of corn and cotton fields. We should make good arrangements for all

trades and professions, especially industry, to support agriculture, muster some funds to technically transform a few pesticide plants and small chemical fertilizer plants on a priority basis, solve the problems concerning the variety of chemical fertilizer and pesticides.

Pushing our province's grain and cotton output up to a new stage by 1992 is the short-term task for our province's agricultural development. The provincial government already made arrangements last year for the province's grain output to reach 22.5 billion kg, cotton output to reach 15 million dan, and the output of oil-bearing crops and other farm and sideline products to increase correspondingly by 1992. Calculated with the average output of the 3 years from 1986 to 1988 as the base figure, grain output should increase by 3.18 percent and cotton output by 7.03 percent every year so that these targets can be fulfilled.

The long-term task for our province's agricultural development is to continuously strengthen the construction of infrastructural facilities in a down-to-earth manner, improve production conditions, raise the comprehensive production capacity, increase the potential for continued development, and ensure sustained and stable development. The focus of it is to successfully develop and improve Hai He valley for agricultural purposes. While successfully carrying out grain production, areas around Beijing and Tianjin should increase the production of meat, poultry, and eggs, vegetables, dairy products, aquatic products, and fruits in a planned manner to satisfy the demand for nonstaple foods of the people of Beijing and Tianjin. Qinhuangdao-Tangshan-Cangzhou coastal comprehensive development zone should greatly develop the export-oriented agricultural production of corn, paddy rice, peanuts, aquatic products, animal byproducts, and dried and fresh fruits to earn foreign exchange. The Heilonggang area should build 10 million mu of good-quality cotton base, transform more than 20 million mu of low- and medium-yielding grain areas, and comprehensively develop farming, forestry, animal husbandry and processing industry. In plain areas, focus should be placed on transformation of low- and medium-yielding farmland and development of sandy and alkaline land; areas with abundant water resources and high soil fertility should accelerate the construction of high- and stable-yielding farmland and farmland with per-mu yield of one ton; mountainous and hilly areas should carry out comprehensive development of small valleys with the focus on developing valleys, areas around mountains and mountainous areas of economic value; coastal areas should focus on the development and utilization of beaches; and in plateau areas, in addition to carrying out the greenbelt project, efforts should be stepped up to protect the existing cultivated land and build stable-yielding farmland from which good harvests are guaranteed.

3. Measures for Our Province's Agricultural Development

As to whether the present short-term and long-term tasks for our province's agricultural development can be carried out, the key lies in whether we have effective measures or not. To develop the agriculture of our province, we should pay particular attention to carrying out the following measures.

A. We should conscientiously implement and continuously improve the policies concerning rural areas to boost peasants' enthusiasm for production. The 10-year rural reform has facilitated the development of productive forces and yielded the achievements that attract worldwide attention. However, peasants in some localities have a sense of instability, fearing that policies would change. This is a problem we should pay great attention to and conscientiously solve. We should publicize and conduct education throughout the province that the party's basic rural policies will be kept stable and unchanged. These basic policies include mainly the policy of the multi-form output-related contract responsibility system with household management as the major form; the policy of allowing and encouraging some localities and some people to become affluent ahead of others while taking common prosperity as the goal; the policy of actively developing the diversified economy and continuously stabilizing and optimizing the rural production setup while never slackening efforts in grain production; the policy of encouraging and guiding the healthy development of township enterprises; the policy of developing the various sectors of the economy on the premise that public ownership remains predominant; the policy of combining the planned economy with market regulation in the purchases and marketing of major farm and sideline products; and so on. [passage omitted]

B. We should increase the input into agriculture through various channels and at various levels. This is a major issue concerning the potential for sustained agricultural development. We should exert ceaseless efforts to uphold the investment pattern consisting of the investment made by the state, the locality, the collective and the individual, with the investment made by individuals as the main body. We should make a bigger stride this year and increase the money input into agriculture through the following channels.

Funds in support of agriculture allocated by financial departments. The provincial financial department arranges 230 million yuan of such funds this year. The amount is 43 million yuan more than in last year, in which an increase of 20 million yuan over the preceding year was registered. The increased amount of funds will be used mainly in subsidizing the plastic sheet mulching projects for 1 million mu of corn fields and 2 million mu of cotton fields, and the construction of sluice gates in rivers in plain areas to store water.

Investment in agricultural capital construction. Following an increase of 30 million yuan last year, another 30 million yuan will be increased this year, making this

year's investment total 81 million yuan, which accounts for more than 40 percent of the total local budgetary investment.

State allocation for agricultural development projects. A total of 90 million yuan will be allocated this year, an increase of 10 million yuan over last year. Of the total, 80 million yuan will be used in the comprehensive agricultural development projects in the plain areas along Hai He, and 10 million yuan will be used in the projects to improve the ecological conditions in plateau areas. These funds, plus banks' special loans, should all be used in the aforementioned projects. Based on their respective construction tasks, all localities should make their financial departments and the masses collect the assigned amounts of supporting funds to ensure that their tasks are fulfilled in quality and quantity.

Utilization of foreign funds. Appraisal of the project to develop agriculture with the World Bank loans was made and approved in December last year. The total amount of foreign funds to be used will be \$150 million. The funds will be used mainly in transforming low- and medium-yielding farmland, and in water conservancy, irrigation, farm machinery, animal husbandry and aquicultural projects, and some agriculture-oriented industries.

Loans from agricultural banks and credit cooperatives. Arrangements will be made to increase the loans by 1.82 billion yuan this year, which is 460 million yuan more than the planned increase of last year, and is 640 million yuan more than the actual increase of last year. Of the total increased amount, 450 million yuan will come from agricultural banks and 1.37 billion yuan from credit cooperatives. The accumulated amount of loans will reach 14 billion yuan this year, 3 billion yuan more than last year. Agricultural banks and credit cooperatives at various levels should conscientiously do a good job in organizing savings deposits to ensure the fulfillment of their credit plans.

Funds invested by peasants. Such funds constitute the largest part of the money investment and the main body of the increase in agricultural input. According to the stipulations of the State Council, the accumulated labor devoted by every laborer in rural areas to farmland water conservancy capital construction is 10 to 20 days a year on average, and the voluntary labor devoted by every laborer in rural areas is 5 to 10 days, which is devoted mainly to tree planting, antiflood and emergency rescue work, road construction and school building repair. As a great input, the labor should be used adequately and successfully. Meanwhile, all localities should make conscientious efforts to reduce the burden on peasants, correctly guide peasants in their consumption, conduct in-depth propaganda and education among peasants on self-reliance, plain living, hard struggle and austerity, spark peasants' enthusiasm for increasing investment, and use funds to the maximum to expand production. Peasants' investment constitutes a considerable financial resource, which can help solve many problems.

In addition, in line with the stipulation of the State Council last year, a system of agricultural development fund has been established at every level. Including the payment for the use of land for housing construction and other purposes, funds will come from seven sources.

The total amount of the funds from various channels is approximately 2.2 billion yuan. We should conscientiously strengthen management of them, make overall arrangements for them, and use them well so that they can yield benefits.

C. We should greatly accelerate the pace in developing agriculture through science and technology. Agricultural problems should be solved ultimately through science and technology. Governments at various levels should regard development of agriculture through science and technology as a major strategic measure, and conscientiously carry it out until good results are achieved. [passage omitted]

D. We should pay great attention to the establishment of socialized service systems in rural areas. Focus should be placed on the establishment and improvement of rural service organizations. And based on this, we should enhance the function of service, strengthen the means of service, replenish the content of service, improve the quality of service, perfect the double-layered management system combining unified and decentralized management methods, actively create favorable conditions for providing services to peasants concerning the supplies and uses of production techniques and production information, the storage, marketing and processing, for the purpose of increasing the value of farm products and supplies of market information, and give guidance to the various mutual-aid, managerial, and technological service organizations organized voluntarily by peasants. [passage omitted]

E. We should make overall arrangements for farming to ensure the acreage sown to grain, cotton, and oil-bearing crops. We should, first of all, conduct extensive and in-depth propaganda and education among peasants on the socialist planned commodity economy so that they will firmly embrace the ideas that the state's plans and guidance should be obeyed when planting crops, and that complete freedom in planting should not exist at any time. We should conduct education to make peasants regard fulfillment of their planting plans as an actual deed in upholding the socialist orientation. [passage omitted]

F. We should exert unremitting efforts in farmland water conservancy capital construction. Under the circumstances that no water from the rivers outside the province will be diverted to our province in the near future, we should rely mainly on the efforts to tap the potential of the water resources of our province to ease water shortages. We should adopt all possible means to successfully carry out the project to divert water from Qinglong He to Qinhuangdao, and make sure that water is diverted on schedule. Preparations should also be

made actively for the project on the Taolinkou reservoir. We should also adopt an active attitude to strive for the construction of the project of diverting water from south to north, that is diverting water from Huang He to support Beijing, Tianjin, and Hebei, so that it can yield benefits earlier. [passage omitted]

G. We should strengthen the work of comprehensive agricultural development. The focuses of it are to transform the low- and medium-yielding farmland in the plain areas along Hai He, to develop and utilize such new agricultural resources as wasteland, barren hills, and waste beaches and water areas, and to stabilize and increase the cultivated land of our province to enhance its capacity for comprehensive agricultural production. [passage omitted]

H. We should actively guide and support the healthy development of township enterprises. Township enterprises constitute an important pillar of the rural economy and play an important role in agricultural development as a whole. During the period for improvement and rectification, we should implement the principle of "adjusting, consolidating, transforming, and improving" township enterprises to make them maintain a proper growth rate. Collective enterprises at township and village levels are the main body of the rural socialist economy of public ownership, and we should actively support their development. Enterprises run by several households jointly possess, at varying degrees, the characteristics of the socialist cooperative economy and are the reserve force for developing the rural collective economy. They should improve their management system, expand public accumulation, increase the cooperative factors, and develop toward the shareholding cooperation. Individual and private enterprises are the necessary supplement to the socialist economy, and we should encourage them to do business, pay taxes, and continue development according to policy stipulations and laws. We should adjust the production setup and product mix of township enterprises in line with the state's industrial policy and the principle of achieving better economic results. We should encourage and support the development of the processing of farm and sideline products; the enterprises which produce spare parts or some products in support and service of urban large industrial enterprises; export products to earn foreign exchange; minor commodities needed by urban and rural people, traditional handicrafts and building materials; and the mining industry when conditions permit. [passage omitted]

I. All trades and professions should render great support to agriculture. Major measures worked out by various departments concerned to support agriculture are as follows: First, efforts should be made to do a good job in the supplies of such means of agricultural production as chemical fertilizer, pesticides, and plastic sheets for farm use. The annual demand for chemical fertilizer is estimated at 7.2 million to 7.4 million tons and, after hard work, the supply of 7.9 million tons has been made

available, an increase of 6.8 percent over last year. Demand can be by and large satisfied. [passage omitted]

Second, efforts should be made to do a good job in the supplies of rolled steel, timber, cement, and other materials. This year, the province will need 1,000 tons more rolled steel for construction of small water conservancy works, manufacturing of small and medium-sized farm machines, and repair of farm machines and tools. The demand for these three major kinds of materials will also increase following the growth in the investment in agricultural capital construction.

Third, efforts should be made to do a good job in the supplies of oil and electricity. This year, the planned diesel oil supply quota will be the same as last year's and, therefore, there will a great shortage. The method to solve this problem is that we should, on the one hand, pay attention to the distribution of the planned amount of oil and, on the other, pay attention to the purchases of extra oil to make the total supply of oil increase by 100,000 tons over last year. We should make a success of the supply of oil for farm use in line with the principle of "ensuring key projects, controlling ordinary projects, conducting rational distribution, and practicing economy in oil consumption." The supply of fixed amounts of diesel oil to contracted grain and cotton growers should be made on a priority basis and in a timely manner. With regard to the supply of electricity, the province plans to set aside 100,000 to 200,000 kilowatts to support agriculture and organize cities and industrial enterprises to give way during the peak period of consumption of electricity for agricultural use.

Fourth, efforts should be made to do a good job in the production of the means of agricultural production. This year, the province plans to produce 6.444 million tons of chemical fertilizer and 17,000 tons of pesticides. The provincial Planning and Economic Commission will regard chemical fertilizer and pesticide plants as essential plants to which electricity supply will be guaranteed.

Fifth, efforts should be made to accelerate the development of the agriculture-oriented industries. Currently, the Qinhuangdao Phosphamidon Plant with a capacity of 480,000 tons, the four urea plants, including the Yuanshi Urea Plant, and the four phosphamidon plants, including the Gaocheng Phosphamidon Plant, are under construction or preparation. The provincial Planning and Economic Commission, petrochemical department, and other departments concerned should muster financial, material, and construction manpower resources to accelerate their construction so that they can be completed and commissioned at an early date. In order to provide materials to chemical fertilizer plants, funds have been made available for construction of four mining projects, and their construction has been started. It is planned that beginning this year, the transformation of eight small chemical fertilizer plants will be phased in. According to the plan, four plants will be transformed first this year, and the other four will be transformed

next year. The provincial government is working out ways to ensure the necessary funds. [passage omitted]

Hebei Deputy Secretary Speaks at Meeting

SK1004033690 Shijiazhuang HEBEI RIBAO
in Chinese 9 Mar 90 p 2

["Excerpts" of speech by Lu Chuanzan, deputy secretary of the Hebei Provincial CPC Committee, at the provincial meeting of directors of the organization departments of prefectural and city party committees: "Continue To Successfully Carry Out the Work To Examine Cadres, and Further Step Up Efforts To Improve Leading Bodies at Various Levels"]

[Text] This meeting has been held with the approval of the provincial party committee. Based on the guidelines of the national conference of organization department directors and the speeches given by central leading comrades at the conference, and in connection with the actual conditions of our province, I will give the following opinions on how to implement the guidelines.

Continue To Successfully Carry Out the Work To Examine Cadres and Adjust Leading Bodies

After the fourth plenary session of the 13th party Central Committee, in view of the serious problems in the ranks of cadres exposed during the turmoil and rebellion, the party Central Committee decided to conduct examinations extensively on leading cadres at and above the county and section level. This is a policy decision of strategic significance. The turmoil and rebellion that occurred in our country last year, and the recent changes in the international situation have given us a very profound lesson, that is, who holds the leadership power has a direct bearing on the future and destiny of the party and the state. The fundamental purpose of the examinations on cadres is to make sure that leadership power at various levels is truly placed in the hands of the people loyal to Marxism. In judging whether a cadre is truly loyal to Marxism, we should examine his practice in struggles, particularly his performance at crucial moments. We should thoroughly examine the ideological understanding and actual performance of leading cadres during the entire period of the turmoil and rebellion, and take them as an important basis for us to adjust and replenish leading bodies, and accurately select and promote cadres. If this work is not done, we will be in great danger once the storm reoccurs.

Our province's work to examine cadres has started in an all-around manner, and yielded great achievements. However, our work still lags far behind when compared with the requirements put forward at the national conference of organization department directors. Party committees, and organization and personnel departments at various levels should adopt further measures to solve the existing problems, and strive to carry out this work successfully.

First, they should further strengthen leadership. Prefectural and city party committees, and leading comrades of the units directly under the province should earnestly attach importance to the work, personally attend to it, and never do nothing except for issuing general calls and make general arrangements. They should give specific assistance and guidance to the units with many and more difficult problems. The cadre examination leading group established by various localities should truly perform their function as a headquarters in making arrangements, giving guidance, exercising supervision, and conducting examination. If the forces for examining cadres are inadequate, they should be replenished and strengthened. In line with the guidelines of the national conference of organization department directors and the requirements of the provincial party committee, all localities and departments should conscientiously review and inspect their cadre examination work carried out previously, solve the problems in the weak links, and carry out the work in a down-to-earth manner.

Second, they should comprehensively fulfill the requirements of the central authorities to ensure the quality of the cadre examination work and guard against omissions. Adhering to the guiding thought of conducting comprehensive examinations while emphasizing major points, they should particularly examine the ideological understanding and actual performance of leading cadres in the entire process of checking the turmoil and suppressing the counterrevolutionary rebellion. Units which have problems during the turmoil and rebellion should thoroughly examine the causes and effects of incidents, and the responsibilities that their leading cadres should hold. They should also comprehensively examine the political integrity and ability of cadres. In particular, they should examine cadres' consistent political stand and political tendency to see whether they adhere to the party's basic line and resolutely oppose bourgeois liberalization, whether they are honest in official duty performance and actively struggle against corrupt phenomena, whether they maintain close ties with the masses and go deep into the realities of life, and so on. They should also exert efforts to understand cadres' ability of leadership, work performance, and performance in implementing the system of democratic centralism and maintaining the unity of leading bodies. No matter how their specific performance was during the period of turmoil and rebellion, all the cadres at and above the county and section level should be examined during the current cadre examination work with no exceptions. Examinations should be conducted particularly on candidates for the next term of office, persons who entered leading bodies not long ago, and leading cadres in key departments. In carrying out the cadre examination work, we should ensure quality, and never pursue high speed at the expense of quality. However, we should also step up efforts to avoid procrastination in the work. When conducting the examination, we should pay attention to profound issues, such as whether the cadres agree with socialism or capitalism, whether they develop Marxism-Leninism or democratic socialism, whether they uphold

the leadership of the Communist Party or advocate the multiparty system, and so on. Struggles were very acute in the past few years concerning these fundamental issues, and we should conduct thorough examinations on them. Some comrades deem it difficult to examine cadres' consistent political stand and political tendency. In fact, since political tendency exists, it will always manifest itself in actual life. As long as we go deep into the masses to fully give heed to the opinions of various quarters, cadres' political stand and political tendency can be made clear.

Third, the cadre examination work should be reflected in the improvement of leading bodies. The starting point and the ending point of this work is to successfully improve the leading bodies at various levels. Party committees should conscientiously analyze and study the results of the examinations conducted by all leading bodies. They should be determined to dismiss from leading bodies the people who have supported, participated in, and organized the turmoil, those who have "sat on the fence" in the face of major matters of right and wrong, and practiced political opportunism, those who have persisted in bourgeois liberalization for a long period of time, and supported and shielded others engaged in bourgeois liberalization, and those who have abused power for dereliction of duty, engaged in embezzlement, taken bribes, and had other serious problems. They should also sternly deal with those who have violated laws and discipline according to party discipline and state laws. People who do not have very serious problems but are not suitable for being placed at leading posts or key departments should also be adjusted. Meanwhile, outstanding cadres who are found to have both political integrity and ability, to be capable of maintaining close ties with the masses, and to have performed well during the struggles against the turmoil and rebellion should be promoted to leading posts.

Strengthening efforts to improve leading bodies is a long-term task, and should be continued after the current cadre examination and adjustment work. First, we should select and use people comprehensively in line with the "four requirements" on the ranks of cadres, adhere to the principle of selecting cadres with both political integrity and ability, take the requirement for being revolutionary as the prerequisite, pay attention to political tendency and ideological quality, and install in leading bodies the people who are truly loyal to Marxism. Of course, we should not neglect the requirements for being younger, better educated, and professionally competent, but the first requirement is being revolutionary. If we neglect the requirement for being revolutionary, it will be very dangerous to have politically unreliable cadres, no matter how young, better educated, and professionally competent they are. Second, we should have long-term viewpoints, and be determined to successfully build the contingents of reserve cadres. In view of the needs of the leading bodies in the 21st century, we should particularly select a group of young cadres with political integrity and ability and

loyal to Marxism to serve as reserve forces, and intensify the training and education of them so that they will become mature politically and professionally as quickly as possible, and become reliable successors to the socialist cause. Third, we should continue the systems of exchange of cadres, and transfer of cadres to avoid nepotism. All localities should conscientiously enforce the stipulations of the provincial party committee, further exchange and transfer cadres in the process of examining cadres and selecting cadres to serve new terms of office, study and solve the actual difficulties and problems in the exchange and transfer of cadres, and continuously summarize experiences so that the systems can be increasingly improved.

Conscientiously Strengthen Efforts To Improve the Ideological Level and Work Styles of Leading Bodies

Improvement of ideological level and work styles is the fundamental task for improving leading bodies. Under the condition of holding office and working for reform and opening up, leading bodies' efforts to improve their ideological level and work styles have a particularly important significance. Reasons for this are as follows: First, it is easy for the tendency of alienation from the masses and corrupt phenomenon to take shape in the position of the party in power. Second, due to the practice of making leading cadres work in one locality for a long period of time that has been carried out in the 40 years since the founding of the country, it has been easy for certain webs of unprincipled connections to be established around some leading cadres, and such webs have greatly corroded leading cadres. Third, reform and opening up have changed the past closed situation, and set forth still higher demands on the ideological level and work styles of leading bodies. Some Western corrupt ideas and culture will unavoidably be brought in together with reform and opening up, and the principle of exchange of equal values for commodities will also invade our political life when we develop the socialist commodity economy. This helps breed the phenomenon of exchange of power for money, and exchange of power for power. It is hard to keep these things from exerting a negative influence on cadres and corroding some weak-willed people in the ranks of cadres. At the same time, particularly because of the serious mistakes of the former general secretary, confusion was created in many ideological and theoretical issues, which led to a stockpiling of many problems in the ideological level and work styles of leading bodies. To uphold Marxism-Leninism-Mao Zedong Thought, persist in the socialist road, and ensure the smooth progress of socialist modernization, reform, and opening up in our country, we should first train our leading bodies at various levels and the ranks of leading cadres into stronger ones, and exert great and earnest efforts to successfully improve the ideological level and work styles of leading bodies at various levels.

Over the past few years, party committees at various levels throughout the province have paid fairly close attention to improving the ideological level and work styles of leading bodies, and the ideological level and

work styles of leading bodies at various levels and the ranks of cadres have been good. Particularly since the fourth plenary session of the 13th party Central Committee, party committees at various levels throughout the province have attached greater importance to party building, including the improvement of the ideological level and work styles of leading bodies. They have adopted many measures, and carried out a series of work for it, and achieved initial success. Last year, the provincial party committee issued the "Regulations on Strengthening Efforts To Improve the Ideological Level and Work Styles of County-Level Party Committees." This has greatly facilitated the efforts of leading bodies at various levels to improve their ideological level and work styles. However, due to the influence of the macroclimate of neglecting party building to a serious extent, it is very difficult for us to solve the many problems that have accumulated in the ideological level and work styles of leading bodies within a short period of time. At present, some problems meriting close attention and needing urgent solutions still exist in the ideological level and work styles of the leading bodies at various levels throughout the province.

Strengthening efforts to improve the ideological level and work styles of leading bodies is a long-term task, which we should always carry out. Party committees at various levels, especially those at and above the county level, should earnestly place it high on their agenda, and their secretaries should personally attend to it. To conscientiously implement the guidelines of the national conference of organization department directors, and comprehensively enforce the provincial party committee's "Regulations on Strengthening Efforts To Improve the Ideological Level and Work Styles of County-Level Party Committees," I will again stress the following four points:

First, the endeavor to improve the Marxist theoretical accomplishments of leading cadres should be put in the first place of the efforts to improve the ideological level and work styles of leading bodies. Leading cadres at various levels, especially those assuming major leading posts, must take the lead in study. At present, they should particularly study Marxist philosophy, master the viewpoints and methods of dialectical materialism and historical materialism, and overcome idealism and metaphysics. We should also organize leading cadres, especially younger ones, to study the party's history in a systematic manner to enable them to inherit and carry forward the party's revolutionary traditions. When studying the Marxist theory, we should adhere to the principle of integrating theory with practice. Instead of taking the Marxist theory as ordinary knowledge, we should regard it as an ideological and theoretical weapon and a tool of understanding to be mastered, exert more efforts to learn to use the Marxist position, viewpoints, and methods to observe and analyze issues, and achieve good results in transforming our world outlook.

Second, we should regard power abuse for selfish gains and dishonesty in administration as a conspicuous

problem to be solved urgently. Since the fourth plenary session of the 13th party Central Committee, the party Central Committee and the provincial party committee have adopted many important measures to punish corruption and strengthen administrative honesty and all localities and departments have also formulated some corresponding regulations and done a great amount of work. The situation is improving. However, we should note that dishonesty emerging and spreading within the party has been accumulated in many years, and cannot be eliminated overnight. What merits our attention is that some localities and units talk about this problem more than they do work for it, and have slackened their efforts to tackle it. We should have a profound understanding of the danger of corrupt phenomena and the pressing need to solve it. We should continue to investigate and handle major and serious cases. Problems involving leading cadres should be thoroughly investigated, and cadres involved should never be shielded. After investigations, people who are found to be corrupt should be sternly punished. Following the example of Jiao Yulu, a good cadre of the party, leading cadres at various levels should be righteous, remain uncorrupted, seek neither profits nor fame, give their all to the cause of the people until their hearts stop beating, be models in abiding by law and discipline, and remain clean and honest. All localities should pay attention to discovering, cultivating, commending, and publicizing the advanced examples among leading cadres so as to establish good examples and develop healthy trends.

Third, we should regard the work to organize and send leading cadres to the grass roots as a major task for improving and maintaining closer ties between cadres and the masses, and carry it out successfully. Leading cadres should be sent particularly to the grass-roots units with many problems, greater difficulties and conspicuous destabilizing factors, such as the rural areas where people have difficulty in their life and grass-roots party branches are paralyzed, enterprises that have suspended production totally or partly, and the neighborhoods and units with more problems in public security. Comrades sent to the grass roots should exert more efforts to investigate the true situation, make friends with the masses, carry out solid work and achieve actual results, help the grass roots and the masses solve their practical problems in production, work, and life in a down-to-earth manner, and guard against all superficial work. They should help in improving the party's grass-roots organizations and grass-roots organs of power, especially in selecting good secretaries of party branches, and establish the party's system of holding democratic meetings so as to truly develop the role of party branches as fighting bastions. They should combine their efforts to go down to the grass roots with the systems whereby leading cadres conduct investigations and study, participate in labor, and establish work liaison units. They should discover and solve problems through in-depth

investigations and study, and summarization of experiences. They should devote some time to collective production labor and, when conditions permit, eat and live together with the masses.

Fourth, we should strengthen the management and education of leading cadres, and continue to enforce and improve the system whereby party committees and organization departments hold talks with leading cadres. In the future, the provincial, prefectural (city) and county (district) party committees, the party organizations of the various departments of the organs directly under the province as well as prefectures and counties, and their organization and personnel departments should hold talks with the cadres under their administration at least once a year. Organization departments should hold talks with the cadres to be promoted or transferred. They should also hold talks in a timely manner with the cadres whose problems have been reported or discovered by the masses, call their attention to the problems, and investigate the problems and adopt measures to tackle them when necessary.

Inner Mongolia Statistics Issued for 1989

SK1204051790 Hohhot NEIMENGGU RIBAO
in Chinese 1 Mar 90 p 2

[Statistical communique on Inner Mongolia's 1989 economic and social development issued by the Inner Mongolia Autonomous Regional Statistical Bureau on 20 February 1990]

[Text] In 1989, the people of various nationalities throughout our region thoroughly implemented the various principles and policies of the party and the state, conscientiously improved the economic environment and rectified the economic order, and further deepened reform, thus consolidating and developing the stable and united political situation. The region maintained a sustained and stable development in the economy, scored extraordinary achievements in many areas, and made a new step forward in carrying out the "three short-ranging fighting goals." While demand was brought under control, the supply of essential products continued to grow, construction of key projects proceeded smoothly, the investment pattern was further improved, price rises declined, foreign trade was further expanded, the endeavor of improvement and rectification yielded initial success, and the economy as a whole developed toward a good direction. New development was also made in education, science and technology, culture, public health, sports, banking, and insurance. According to initial statistics, the annual GNP was 25.257 billion yuan, an increase of 2.75 percent over the preceding year, and the per-capita GNP was 1,188 yuan. The national income was 20.78 billion yuan, an increase of 2.32 percent. The industrial output value rose by 12.58 percent, and the agricultural output value declined by 1.69 percent.

Major problems in the operation of the economy were the conspicuous irrational economic structure; market

sluggishness and impeded circulation of goods, which plunged some enterprises, especially light industrial and textile enterprises, into a difficult situation; and the deep-seated problems which had been accumulated in many years and which affected the stable and coordinated economic development. Macroeconomic retrenchment and adjustment entered a new period for tackling the most difficult problems, and our difficulties and problems remained rigorous.

1. Agriculture

Bumper harvests were reaped in agriculture and animal husbandry despite serious disasters. Our region made a stable development in agricultural and animal husbandry production and, particularly, a new breakthrough in animal husbandry production thanks to its efforts to proceed from reality, base itself on combating disasters and reaping bumper harvests, pay early and earnest attention to the work in various fields, enforce the system of management by objective, increase investment, and popularize science and technology. Calculated according to the prices of the year, the region's agricultural output value reached 12.672 billion yuan (6.737 billion yuan in terms of constant prices), showing a decline of 1.69 percent from the preceding year, and equivalent to 97.64 percent of the annual quota. Of the total, the output value of agricultural products came to 6.398 billion yuan, a decline of 8.09 percent; and that of animal husbandry 4.534 billion yuan, an increase of 8.50 percent.

Among the major farm products, the output of grain reached 6.779 billion kg, 700 million kg more than 1987, and representing the second greatest output next only to 1988 in the history of our region. Of the grain output, the output of wheat was 1.875 billion kg, 14 million kg or 14.75 percent greater than the preceding year, and an all-time high; and that of paddy rice reached 192 million kg, an increase of 59.85 percent. Due to disasters and a reduction in growing areas, the production of oil-bearing crops and beets dropped by 13.93 and 18.90 percent, respectively, from the preceding year.

A breakthrough was made in the production of animal husbandry. The region's number of large animals and sheep in stock totaled 47.577 million head in the animal husbandry fiscal year, showing an increase of 5.566 million head or 13.20 percent over the corresponding period of the preceding year. The year-end number of large animals and sheep in stock reached 37,281,200 head, an increase of 1,007,200 head or 2.78 percent. Despite sluggishness in the market for animal byproducts of the country, 11,446,800 head of large animals and sheep were slaughtered in the year, an increase of 3,719,800 over the preceding year, and an all-time high. The rate of slaughtered animals reached 31.56 percent, a figure unseen for many years. This enriched market supply and increased the income of herdsmen, ensuring increased income after increased production. The year-end number of pigs totaled 4,872,600 head, 208,600 head or 4.47 percent greater than the preceding year. The

output of pork, beef and mutton came to 489,200 tons, an increase of 19.32 percent.

The output of major agricultural and animal products and livestock headage was as follows:

	1989	Percentage increase over 1988
Grain	6.779 million tons	-8.18
Oil-bearing crops	488,000 tons	-13.93
Beets	1.776 million tons	-18.90
Port, beef, and mutton	489,200 tons	19.32
pork	269,400 tons	6.86
beef	93,100 tons	27.36
mutton	126,700 tons	49.94
Milk	353,400 tons	14.22
Wool	62,300 tons	7.79
of which:		
sheep wool	60,100 tons	7.13
Large animals		
at mid-year	8.127 million head	2.5
at year's end	7.86 million head	-2.18
Sheep		
at mid-year	39.45 million head	15.7
at year's end	30,095,200 head	4.03
Pigs		
at mid-year	5.4 million head	11.4
at year's end	4,872,600 head	4.47

New headway was made in forestry and afforestation. In 1989, the region gave prominence to "survival rate" and "preservation rate" of planted trees, thus improving the quality of afforestation to a certain extent. With the survival rate set at 85 percent, the afforested areas throughout the region reached 237,100 hectares, a decline of 10.86 percent from the previous year. Fire prevention work was strengthened further, and wanton felling of trees was reduced.

Fishery continued to expand. The output of aquatic products in 1989 was 28,200 tons, up 12.8 percent over 1988.

Conditions for agricultural production improved somewhat. By the end of 1989, the aggregate capacity of the region's farm machinery reached 7.28 billion watts, an 8.28-percent increase over 1988. There were 262,800 tractors of various kinds, a 13.23-percent increase; and 12,000 trucks, a decrease of 2.58 percent. The total capacity of irrigation and drainage equipment was 1.25 billion watts, a 6.86-percent increase. A total of 292,000 tons of chemical fertilizers (converted to 100 percent efficiency) were applied throughout the year, an increase

of 12.14 percent. The acreage of tractor-plowed farmland reached 1.587 million hectares, an 11.6-percent increase, with its proportion in the total sown acreage rising from 31.19 percent in 1988 to 34.68 percent in 1989. Construction of farmland irrigation facilities and grassland was strengthened to a certain extent.

Investment in agriculture increased. In 1989, appropriations from financial departments for aiding agricultural and livestock production and the allocations for operating agricultural, forestry, water resources, hydrologic, and meteorological departments reached 707 million yuan, a 12.82-percent increase over 1988.

The rural economy developed in an all-around manner. According to preliminary statistics, the region's total product of rural society reached 16.232 billion yuan, calculated according to the prices of the same year. Of this, the proportion of output value of non-agricultural trades, such as industry, construction, transportation, commerce, and catering service in rural areas, rose to 21.93 percent from 17.6 percent in 1988.

2. Industry

Industrial production grew at a proper rate. Calculated according to the prices of the year, the industrial output value totaled 24.269 billion yuan (15.531 billion yuan in terms of constant prices), increasing by 12.58 percent over the preceding year, and exceeding the planned 8-percent increase quota. When the industries run by the units at and below the village level were excluded, the figure was 22.916 billion yuan (14.405 billion yuan in terms of constant prices), 11.68 percent higher than the preceding year. Among the industrial output value of the industrial units at and above the township level, the heavy industrial output value was 13.048 billion yuan (8.167 billion yuan in terms of constant prices), a 14.99-percent increase. The "slippery slope" in light industry began to improve in the fourth quarter. Particularly in December, the growth rate reached 14.1 percent. The annual light industrial output value was 9.867 billion yuan (6.238 billion yuan in terms of constant prices), an increase of 7.63 percent. The industrial output value of the state-owned sector was 18.793 billion yuan (11.396 billion yuan in terms of constant prices), a 10.71-percent increase; and that of the collective sector 4.01 billion yuan (2.98 billion yuan in terms of constant prices), a 14.85-percent increase.

The economic results of industry were improved. According to preliminary statistics of local budgetary state-owned industrial enterprises throughout the region, the 1989 income from marketing of products came to 9.997 billion yuan, an increase of 8.51 percent; the profits and taxes they created totaled 1.759 billion yuan, an increase of 4.33 percent; and the rate of profits and taxes in total sales was 17.59 percent. The per-capita labor productivity of state-owned industrial enterprises under the independent accounting system reached 11,487 yuan, up 6.95 percent. In the increased amount of the output value, 70 percent was achieved through

improvement of labor productivity. The reduction rate in the energy consumption for per 10,000 yuan of output value was 3.32 percent. The proper growth and improvement of economic results in industrial production guaranteed the growth in our region's local revenues. However, the problem of poor economic results in some aspects of production should not be neglected.

New improvement was made in industrial product mix. The production of energy resources and raw materials urgently needed by the state witnessed fairly rapid development in the process of adjustment. The completion and commission of some energy industrial projects, in particular, brought our region's energy industry to a new stage. The region's output of raw coal totaled 43.82 million tons, an increase of 6.48 million tons, or 17.3 percent, over the preceding year. Such a large annual increase was unprecedented in the history of our region. Electricity output grew by 1.52 billion kwh. Petroleum industry was developed from nothing, and crude oil output reached 350,000 tons. The output of steel, pig iron, rolled steel and aluminum all rose by more than 10 percent over the preceding year. Military industry made a big stride on the road of converting production to products for civilian use. However, tasks remained arduous to adjust the production setup, especially to change the passive situation in the production of the woolen textile industry.

The output of major industrial products was as follows:

	1989	percentage increase over 1988
Cotton yarn	226,000 tons	6.1
Cloth	110 million meters	4.9
Woolen fabrics	9,026 million meters	-18.5
Chemical fiber	6,807 tons	16.5
Machine-made paper and paper board	127,000 tons	7.9
Sugar (including raw sugar) [tu tang (960 4743)]	197,000 tons	29.7
Crude salt	1.1 million tons	26.6
Cigarettes	292,000 crates	5.2
TV sets	341,000	23.2
of which:		
color sets	135,000	-0.5
Household washing machines	2,993	-59.9
Dairy products	20,000 tons	-5.9
Wool	5,455 tons	-8.1
Carpets	424,000 square meters	15
Leather (in terms of cattle-hide)	612,000 pieces	-20.8
Leather shoes	3.13 million pairs	1.7

Mixed and compound feed	433,000 tons	16.1
White wine	78,000 tons	-2.7
Raw coal	43.824 tons	17.8
Crude oil	350,000 tons	first output
Electricity	15.37 billion kwh	11
Pig iron	2.555 million tons	12.5
Steel	2.421 million tons	10.4
of which:		
Baotou steel products	2.238 million tons	10.4
Ready-made steel products	1.573 million tons	14.2
Coke (machine-processed coke)	1.586 million tons	-13.3
Aluminum	48,000 tons	10.0
Rare-earth concentrate	27,000 tons	7.7
Ferroalloy	47,000 tons	6.7
Timber	5.28 million cubic meters	-11.2
Plywood	71,000 cubic meters	11.9
Cement	2,499 million tons	4.3
Plate glass	2,353 million boxes	98.1
Fertilizer (in terms of purity)	122,000 tons	-4.7

3. Fixed Assets and Construction

Investments in fixed assets were brought under control. Our autonomous region earnestly implemented the "three ensuring and three curtailing" principle in 1989; resolutely curtailed the construction of nonproductive projects, such as office buildings, hostels, and guest-houses, which are formally banned by the state; paid attention to the investment in key projects; gave priority to ensuring the investment in productive projects; and carried out target breakdown as well as appraisal and control for investments in capital construction projects, thus bringing the scale of investments under control and increasing investment benefits. The autonomous region invested 6.595 billion yuan in fixed assets in the year, a 0.6 percent increase over 1988. Of these investments, that in the projects designed by the central authorities was 1.93 billion yuan (including 889 million yuan in three petroleum production projects), a 19.13 percent increase over 1988, topping the previous peak; and that in local projects was 3.665 billion yuan, a 10.5 percent decrease over 1988. The investment in the capital construction projects of the state-run units was 3.796 billion yuan, a 30.9 percent increase over 1988. Of this investment, that in the projects conducted by localities was 1.306 billion yuan, an 11.5 percent increase over 1988. The investments in the projects of technical renewal and renovations were 1.413 billion yuan, a 3.1 percent decrease over 1988. The number of new projects of capital construction, which began in the year, was 775, a

614 project decrease over 1988; and that of new technical renewal and renovation projects which were opened in the year was 511, a 451 project decrease over 1988.

The proportion of state investment increased in 1989. The proportion of investment in fixed assets of central projects reached 44.43 percent, an increase of 6.9 percent over the previous year. As a rule, the investment in industries of energy resources and raw materials increased by a big margin.

The construction of key projects was in full swing. The structure of investment was further improved. Of the region's capital construction investment, the investment in productive projects reached 3.046 billion yuan, an increase of 42.0 percent. The proportion of investment in productive projects reached 80.1 percent. The investment in nonproductive construction projects was reduced by 0.8 percent and the proportion in nonproductive projects dropped to 19.9 percent. A total of 837 capital construction projects were completed and commissioned throughout the region. Of this, 704 were local projects. A total of 3.651 billion yuan worth of fixed assets were newly added, an increase of 1.514 billion yuan over the previous year. In particular, the 96.2 percent of fixed assets were made available to the users, an increase of 22.5 percentage point over the previous year. The newly added production capacity in capital construction projects principally included: 700,000 tons of petroleum in Erlian Oil Field; 365-km-long petroleum pipelines; 555,400 kw of power generating capacity in Fengzhen, Tongliao, Baotou, Wuda, Hailar, and Xilin Hot power plants; 1.26 million tons of coal in several collieries, including Chifeng Hongmiaozi Colliery; 172-km-long Baotou-Shenfu railway line; 28.5-km-long Datong-Baotou double-track railway line; 137-km-long highways; 85,000 cubic meters of timber cutting and transportation capacity; and 665-km-long power transmission lines and 303,000-kilovolt-ampere power transmission equipment covered in the Inner Mongolia power transmission project.

On the production of building industry, the output value realized by state-owned building industrial units was 1.71 billion yuan, an increase of 5.1 percent. Of this, that realized by local enterprises reached 1.11 billion yuan, an increase of 10.3 percent. The per capita labor productivity reached 11,176 yuan, an increase of 11.4 percent over the previous year.

4. Transportation, and Post and Telecommunications

Our region had a strained situation in transportation in 1989. Although the turnover of goods transported by railways and roads showed increases over 1988, the situation in which transportation did not meet the demands of economic development was not noticeably improved.

Transport services were as follows:

	1989	Percentage Increase over 1988
Cargo		
Railway	51.267 billion ton/km	10.0
Highway	2.921 billion ton/km	13.0
Air	1,280,100 ton/km	-33.0
Passengers		
Railway	7.224 billion person/km	-3.0
Highway	3.945 billion person/km	5.0
Air	327 million person/km	-9.5

Post and telecommunications kept progressing. The business transactions in 1989 totaled 103.221 million yuan, an increase of 9.5 percent. Of this, that of letters was reduced by 13.1 percent, the issuance of papers was reduced by 26.1 percent, the business transaction of telegrams increased by 0.3 percent, and that of long-distance telephones was reduced by 2.5 percent. The year-end number of telephone users reached 128,000, an increase of 18,400 or 16.8 percent over the previous year.

5. Domestic Commerce, Supply, and Marketing

There was an obvious change in the over-heated demand on markets, the psychology of consumers became stable, and the "buyers' market" emerged initially. In 1989, the value of retail sales of social commodities totaled 13.859 billion yuan, up by 6.2 percent over 1988, or a reduction of 17.61 percent from the increase rate of 1988. Of this, the value of retail sales of consumer goods was 12.569 billion yuan, up 5.71 percent over 1988; and that of means of agricultural production 1.29 billion yuan, up 11.21 percent.

The retail sales volume of state-owned commercial enterprises was up by 6.11 percent; that of supply and marketing cooperatives rose 4.58 percent; that of other collectively-owned units declined by 2.74 percent; and that of individual businesses went up by 17.39 percent. The transaction volume of country fair trade in urban and rural areas amounted to 1.574 billion yuan, up by 38.8 percent over 1988.

A breakdown of the retail sales of various kinds of consumer goods shows that food rose 5.53 percent over 1988, clothing went up 0.52 percent, and articles of daily use increased 3.07 percent. However, sales volume of woolen cloth, cotton cloth, bicycles, and household electrical appliance declined to varying degrees.

The margin of market price increases was narrowed compared to that of the previous year. Prices of some commodities dropped steadily. The general retail price level in 1989 increased by 15.9 percent, being the third

lowest among the country's provinces, autonomous regions, and municipalities, only next to Heilongjiang Province and Tianjin Municipality, or lower than the 1988 increase rate of 16.3 percent. Of this, the general retail price level in urban areas increased by 14.4 percent over 1988 while the level in the countryside rose 18.8 percent.

Increase of retail sales of diversified commodities was as follows:

	1989 Percentage increase over 1988	Urban areas' 1989 percentage increase over 1988
Consumer goods	15.5	14.4
Foodstuffs	13.0	11.5
Grain	16.4	11.8
Meat, poultry, and eggs	13.5	12.5
Fresh vegetables	4.4	4.4
Aquatic products	21.0	15.0
Clothing	17.4	17.4
Articles of everyday use	15.5	15.8
Articles of cultural and recreational use	16.3	15.8
Books, newspapers, and magazines	80.2	80.8
Fuel	17.7	17.0
Means of agricultural production	19.9	19.9
Building materials	22.1	25.0

In 1989, the cost of living for urban staff and workers increased by 14.2 percent over the previous year. This increase rate was obviously lower than 17.0 percent of the previous year.

The region's price changes had the following obvious features: 1) Prices of major foodstuffs closely related to the people's livelihood declined in a steady manner, registering a reduction of 16.7 percent from 1988. 2) Prices remained high in the first half of 1989, while declined on a monthly basis in the second half. In October 1989, the price rise dropped to 8.4 percent; in November, it dropped to 6.9 percent; and in December, it dropped to 5.7 percent, a decline of 16.71 percent from that at the beginning of 1989. 3) Urban markets were controlled with effective measures, and marked results achieved. In 1989, market prices increase in urban areas declined by 2.7 percent from 1988, while that in rural and pastoral areas rose by 3.7 percent. 4) Price increase of agricultural and sideline products procured throughout the region dropped by 19.5 percent. 5) The first-time price hikes were 8.2 percent, a drop of 5.4 percent from the previous year; and the phase-in price hikes accounted for 7.7 percent in the price hikes of 15.9 percent.

The market for materials continued to expand. Throughout the region, the number of shops selling materials totaled 1,170, an increase of 110 over the preceding year. Material supply and marketing organs sold 2.91 billion yuan of means of production, a 0.2-percent growth over the preceding year; and material departments sold 452,300 tons of rolled steel, a 19.6-percent decline; 677,000 cubic meters of timber, a 15.9-percent decline; and 5,500 tons of aluminum, a 9.9-percent increase.

6. Foreign Economic Relations and Trade, and Tourism

Our region continued to enhance its capacity to earn foreign exchange through export, and further expanded its foreign trade. The annual volume of purchases of goods for export totaled 1.713 billion yuan, 13.14 percent greater than the preceding year. Its trade partners increased from 55 in the preceding year to 61. The total import and export volume came to \$440 million, an increase of 15.8 percent. Of the total, the volume of export was \$340 million, a 17.2-percent increase; and that of import \$100 million, an 11.1-percent increase. The varieties of export commodities increased from 401 in the preceding year to 456. Border trade developed fairly rapidly, becoming more flourished. Total volume of border trade reached \$120 million, 24.7 percent more than the preceding year.

The actual amount of foreign capital used in the year totaled \$12.65 million, 11.95 percent, or \$1.35 million, more than the preceding year. Of the total, \$8.12 million was foreign government loans, and \$4.11 million came in terms of equipment provided by foreign businessmen for carrying out compensation trade.

The region received 8,700 tourists from 72 counties and regions who had come for sightseeing, observation, visit, and various exchange activities, showing a decline of 16,000 persons. The annual amount of foreign exchange earned from tourism was \$632,000, a decline of \$784,000.

7. Finance, Banking, and Insurance

Financial revenues hit an all-time high. In 1989, the region's local revenue came to 2.854 billion yuan, up 18.26 percent from the preceding year. Of the total revenue, 2.612 billion yuan was industrial and commercial taxes, up 21.96 percent. The region's local expenditure was 5.569 billion yuan, up 9.17 percent. Because the revenue growth rate was larger than the expenditure growth rate, local financial self-sufficient rate rose from 47.3 percent in the preceding year to 51.2 percent. Among the total expenditure, 459 million yuan came to capital construction, down 8.48 percent from the preceding year. However, the expenditure used in support of agricultural and animal husbandry production, and that used in the operation of agricultural, forestry, water conservancy, and weather departments grew by 80.38 million yuan or 12.82 percent.

The region's year-end savings deposits in banks totaled 13.603 billion yuan, up 13.5 percent from the preceding year; and bank loans totaled 21.273 billion yuan, up 18.1 percent. The increased amount of loans was used mainly in supporting the production of undersupplied goods, such as energy resources and raw materials, in purchasing of farm and sideline products, and in import and export, thus effectively promoting economic development. The net amount of currency put into circulation in the year was 2.356 billion yuan, an increase of 238 million yuan or 11.27 percent.

Urban and rural people's savings deposits increased by a big margin. The year-end savings deposits of urban and rural residents reached 8.283 billion yuan, an increase of 1.763 billion yuan or 27.03 percent over the previous year. Of this, the savings deposits of urban residents reached 6.859 billion yuan, an increase of 34.2 percent; and that of rural and pastoral residents reached 1.424 billion yuan, an increase of 1.0 percent. The per capita savings deposits reached 387 yuan, an increase of 79 yuan or 25.65 percent over the previous year.

Insurance business further developed. The domestic insurance volume reached 44.57 billion yuan, an increase of 16.46 percent over the previous year. The domestic and overseas insurance income reached 196 million yuan. Of this, the domestic insurance income reached 189 million yuan, an increase of 44.92 percent.

8. Science and Technology, Education, and Culture

Science and technology ceaselessly developed. According to preliminary statistics, the region made 348 scientific and technological findings. Of this, 108 were major scientific and technological findings, and 128 won state patents. The technological market was further developed. A total of 461 technological contracts were signed during the year and the business transaction reached 34.40 million yuan. The region vigorously popularized technology suitable to agricultural and livestock production. All this made key contributions to helping reap bumper harvests during the serious disastrous year.

The ranks of science professionals and technicians were further expanded. By the end of the year, the state-owned units employed 187,500 natural science professionals and technicians, an increase of 7,700 or 4.28 percent over the same period of 1988.

Meteorological departments made timely and accurate weather forecasts, thus making positive contributions to both production and the people's livelihood.

Higher education was steadily developed. The region enrolled 67 postgraduates during the year. The enrollment of postgraduates totaled 301. Of this, 91 were people of minority nationalities. General colleges and universities enrolled 9,597 undergraduates and students in special courses, a drop of 1,332 from the previous year. Their enrollment was 33,112. Of this, 8,937 were

people of minority nationalities. The enrollment of adult colleges and universities totaled 20,753, a drop of 7,827 from the previous year.

Secondary education was further strengthened. The secondary and specialized schools enrolled 11,983, a drop of 5,457 from the previous year; and their enrollment reached 36,032, a drop of 10,861. The enrollment of vocational high schools totaled 56,700, a drop of 3,200.

The policy of making the nine-year compulsory education system universal was further implemented. By the end of the year, the enrollment of senior high schools reached 196,900, a drop of 7,300 from the previous year; that of middle schools was 936,000, a drop of 40,300; and that of primary schools was 2,352,300, a drop of 22,200. A total of 88 banners and counties passed their assessment test of popularizing elementary education, an increase of nine banners and counties over the previous year. Pre-school education and education for the blind, deaf and mute, and the mentally retarded were continuously developing. The school attendance rate of children of school ages reached 97.47 percent.

Cultural undertakings developed rapidly. The region produced five feature films, and dubbed 30 films in the Mongolian language, three films more than the preceding year. At the end of the year, the region had 2,393 movie projection teams and 128 art performing groups, of which 65 were Inner Mongolia revolutionary cultural troupes, 103 cultural centers, 10 museums, 21 large archives, 27 radio stations, 52 radio transmitters and relay stations, and 749 television transmitters and relay stations. Television coverage rose from 74.5 percent in the preceding year to 75.0 percent. The autonomous region and various leagues and cities published 163 million copies of newspapers, 16.38 million copies of magazines, and 83.03 million copies of books and pictures of which 8.16 copies were in Mongolian language. The region achieved notable results in wiping out the "six vices" and improved the order of the cultural market, thus enriching and invigorating the lives of the masses.

9. Public Health and Sports

Public health continued to develop, and conditions for medical care further improved. At the end of the year, the region's medical units had 60,100 sickbeds, an increase of 676 over the preceding year; and 95,000 medical personnel, an increase of 900. Of the total medical personnel, 44,600 were doctors (including doctors of traditional Chinese, Mongolian, and Western medicines), an increase of 2,700. Prevention and treatment of endemic and contagious diseases were strengthened continuously.

New achievements were scored in sports. The region's athletes won 99 gold medals at international and domestic events, an increase of 41. They broke three domestic records.

10. Living Standards

The per-capita net income of peasants and herdsmen continued to grow. According to sample surveys, the per-capita net income of the peasants and herdsmen throughout the region reached 553.25 yuan, up 6.08 yuan or 1.1 percent from the preceding year. The masses of herdsmen gained benefits from the bumper harvest in livestock breeding, and their per-capita net income exceeded 1,000 yuan for the first time, reaching 1,038 yuan, up 187.83 yuan or 22.09 percent. When allowing for price increases, the actual growth was 6.7 percent. The per-capita net income of peasants was 477.5 yuan, which was 22.29 yuan or 4.46 percent, less than the highest record registered in 1988 because of the serious disasters affecting agriculture. In rural areas, 12.2 percent of the peasant households earned less than 200 yuan per capita. The work to aid the poor need to be strengthened continuously.

The growth rate of the per-capita cost of living was higher than price increases. Urban people's per-capita cost of living income in the region was 957.09 yuan, an increase of 124.52 yuan or 15.0 percent, over the preceding year. When allowing for price increases, the actual increase was 0.7 percent. However, because some enterprises suspended their production wholly or partly, the income of some staff members and workers was affected. This plus price increases made the actual income of some people decline.

The amount of household durable consumer goods possessed by urban residents continued to increase. The amount of such goods possessed by each 100 households was as follows:

	Workers		Peasants		Herdsmen	
	1989	1988	1989	1988	1989	1988
Television sets	92.25	90.07	36.00	29.56	56.00	41.67
of which:						
color television sets	47.79	42.03	3.00	2.47	7.00	5.83
Washing machines	75.96	72.92	12.00	10.00	8.00	4.58
Tape recorders	61.76	55.88	14.00	10.60	55.00	48.75
Motorcycles	3.86	4.05	1.00	0.93	38.00	29.58

In 1989, 117,000 urban people were employed, 24,000 people fewer than 1988. By the end of 1989, the number of workers throughout the region was 3.572 million, an increase of 40,000 or 1.1 percent over the previous year. Of these workers working under labor contracts in state-owned enterprises reached 205,000 in number, an increase of 38,000 persons or 22.8 percent over 1988.

In 1988, the total annual volume of wages for workers and staff members throughout the region was 5.894 billion yuan, an increase of 10.9 percent over 1988. Included in that figure are bonuses, which amounted to 794 million yuan, up by 12.7 percent over 1988. Workers' per-capita cash income was 1,685 yuan, an increase of 8.9 percent over 1988. Of this, per-capita

income of workers of state-owned enterprises was 1,779 yuan, an increase of 8.4 percent; and that of workers of collectively-owned enterprises was 1,381 yuan, up by 10.41 percent.

Housing conditions in urban and rural areas improved further. New houses built in 1989 totaled 3.274 million square meters of floor space in urban areas, and 5.766 million square meters of floor space in rural areas.

11. Population

According to a sample survey, by the end of 1989 the population of the region was 21,222,300. This was 283,300 more than 1988, or an increase of 1.35 per thousand. The region's birth rate in 1989 was 19.25 per thousand; and the mortality rate was 5.81 per thousand, making the natural growth rate rise from 13.25 per thousand in 1988 to 13.44 per thousand in 1989. Control of population growth and family planning work need to be further strengthened.

Notes: 1) All the figures in this communique are preliminary. 2) The listed output value, gross national product, and national income are calculated according to the prices in the same year, and the rate of increase are according to comparable prices. All output value quotas to be released in the future will be calculated according to the prices of the same year.

Tianjin Elects New CPPCC Chairman

OW3004042890 Beijing XINHUA Domestic Service
in Chinese 1207 GMT 24 Apr 90

[By reporter Ma Jie (7456 2638)]

[Text] Tianjin, 24 Apr (XINHUA)—Liu Jinfeng, who is a deputy secretary of the Tianjin Municipal CPC Committee, was elected as the chairman of the Tianjin Municipal Committee of the Chinese People's Political Consultative Conference [CPPCC] at the Third Session of the Eighth Tianjin Municipal CPPCC Committee, which ended today.

Northeast Region

Shao Qihui's Government Work Report

SK0305150190 Harbin HEILONGJIANG RIBAO
in Chinese 9 Mar 90 pp 1, 2, 3, 4

[Report given by Shao Qihui, governor of the Heilongjiang Province, at the third session of the seventh Heilongjiang Provincial People's Congress on 8 March 1990]

[Text] Fellow deputies:

I would like to present a report on the work of the provincial government which centers on improvement, rectification, and deepening of reform on behalf of the provincial government to the present session for examination and discussion.

1. We Achieved Initial Success in Improvement, Rectification, and Deepening of Reform

During the last year of the 1980's, the provincial government firmly carried out its work in line with the principles of improvement, rectification, and deepening of reform defined by the third session of the 13th party Central Committee, the relevant decisions of the provincial party committee, and the resolutions defined by the second session of the seventh provincial People's Congress.

In 1989, after achieving tremendous achievements in the 10 years of reform, opening up, and economic construction, our country entered the period of improvement, rectification, and deepening of reform. Although this period provided us the opportunities of strengthening macroeconomic regulation and control; readjusting economic structure; and gradually achieving sustained, stable, and coordinated development in the national economy it also resolved that the situation lying ahead in our provincial work would be more severe than at any other period in the past because of the influence of the international macroclimate and the domestic microclimate and the special tasks set for the rectification period. The contradictions in the economic, political, and social sectors mixed together, infiltrated, and affected one another and made the task of stabilizing the overall situation the most pressing task of top priority and a solemn historical mission. During the improvement and rectification drive, rectification, reform, and development promoted and restricted one another. In our work, we should correctly handle the relations among the three and strive to avoid their collision and jostling during the movement of these opposites. Because of the fact that problems of overall imbalances in the national economy have accumulated during the past years, the uneven structures and the poor economic results have not been fundamentally alleviated or resolved; and because of the lingering negative effects of the shortage of funds, raw materials, energy, and transport capacity during practical economic performance as well as the decrease in the industrial rate, structural market sluggishness, and an increase in the number of job-seekers from enterprises whose production has been suspended; we should not only actively carry out improvement and rectification but should also pay attention to studying and solving the new situations and problems cropping up in the improvement and rectification drive. We should also pay close attention to grasping the trend of the development of the deep problems in our economic life, and strive to prevent the hidden dangers from becoming practical problems.

Under such circumstances, in line with the guidelines of the second session of the seventh provincial People's Congress and the changes in the situations, the provincial government promptly readjusted the emphasis of its work, strove to improve its work style and work methods, and succeeded in stabilizing the situation

throughout the whole province, improving the province's social and economic situations, and intensifying people's confidence in their future.

During the past year, the provincial government considered persisting in relying on and accepting the party's leadership as the crucial issue in upholding the four cardinal principles and a political guarantee which it could not do without for a moment in the government's work. During the period of disturbances and rebellion in Beijing which occurred at the turn of spring into summer, the provincial government persisted in firmly relying on the leadership of the provincial party committee, correctly grasped the principles and policies, effectively launched a struggle against disturbances, and guaranteed a stable overall situation in the whole province. During the day-to-day work the provincial government conscientiously implemented the party's line, principles, and policies as well as the important policy decisions of the provincial party committee; actively and creatively fulfilled the tasks put forward by the party Central Committee, the State Council, and the provincial party committee; and persisted in grasping them unswervingly through to the end. In 1989, while working out plans for the annual work, the party Central Committee, the State Council, and the provincial party committee proposed that controlling price hikes should be considered as the central task during the improvement and rectification drive. Through deep investigation and study, the provincial government applied scientific theories such as the theory on systems and controls, designed and implemented the "383" project, improved and strengthened macroeconomic control in a better manner, increased effective supply, and enabled our province to maintain vitality and stability and to witness a remarkable decline in price hikes from the previous year. To implement the strategic principle of "developing the province through science and technology" put forward by the provincial party committee, the provincial government devoted nearly six months to conducting investigations, studies, and scientific appraisals, and formulated an overall plan for "developing the province through science and technology." In a corresponding effort, the various departments directly under the province also worked out specific plans one after another to turn the strategic principle of the provincial party committee into specific government actions so that the economic construction of our province can be truly brought onto the track of depending on scientific and technological progress.

In the past year, the provincial government proceeded from and aimed at the effort to render service to the people and to be responsible to the people in doing all its work, regarded all its administrative power as a solemn trust of the people's congress, and achieved unity of its responsibility to the party and its responsibility to the people. After the "government work report" was approved at the second session of the seventh provincial people's congress, the provincial government made its efforts to fulfill the tasks stipulated in the "report"

dominate its annual work from the beginning to the end. To enable itself and its component departments to work in a planned, step-by-step, and effective manner according to established priorities, the provincial government divided the tasks set forth at the "report" into 151 specific tasks in 10 fields, and assigned them to the 85 departments and units directly under the province to be fulfilled under the target responsibility system. The provincial government also ordered special organs to conduct supervision and inspection, and inspected how the target responsibility system was carried out on two occasions in the middle and end of the year. Meanwhile, the provincial government earnestly accepted the supervision of the people's congress and the people's deputies over its work, and attached importance to the suggestions and opinions of the Chinese People's Political Consultative Conference [CPPCC] and its members. In the past year, it accepted 319 suggestions offered by people's deputies and 238 proposals made by CPPCC members, and handled all of them by the end of the year. The provincial government attached importance to the inspections conducted by the people's deputies on its work, and made ceaseless efforts to improve its work by accepting the suggestions made by the people's deputies. Particularly with regard to the issues concerning the overall economic, political, and social stability of the province raised by people's deputies and CPPCC members during their inspection tours, the provincial government included them in their work schedules and as topics for investigation and study, and exerted utmost efforts to adopt measures to resolve them. The provincial government paid attention to the letters and visits of the masses, and solved some practical problems closely related to their vital interests.

In the past year, proceeding from the needs for carrying out economic improvement and rectification; deepening reform; and achieving a long period of sustained, stable, and coordinated development in the national economy, the provincial government strove to make its policymaking more democratic and scientific. Concerning some major issues on the overall situation of the province, and difficulties affecting and restraining the province's economic development, the provincial government extensively heard the opinions and suggestions of various democratic parties, personages without party affiliation, experts and scholars of relevant fields, and consulting and research organs, and combined the efforts of experts and personnel engaged in practical work to conduct extensive investigation, study, and scientific appraisal before making policies so that its policymaking can become more scientific and losses in the overall work can be avoided. Meanwhile, it also extensively gave heed to the opinions and demands of the masses on government work, thus turning policymaking into a process of pooling the wisdom of the masses.

To attach strategic importance to education, the provincial government, based on the decision on education made at the 36th Standing Committee meeting of the provincial party committee earlier last year, the relevant

resolution made at the second session of the seventh provincial people's congress, and the suggestions and opinions offered by the deputies, organized and participated in large-scale investigations and discussions of education. In this way, the provincial government enhanced the "sense of education" of its leading members, by and large clarified the situation of the province's education of various categories and at various levels in the past almost 40 years, and proceeded from the reality to put forward methods and ways to solve problems. Despite very strained financial resources last year, the province invested as much as 1.01 billion yuan in education, which showed an increase of 16 percent over the preceding year and was higher than the 7.5-percent growth rate stipulated by the state earlier last year as the minimum growth. Investment made by various quarters of the province in improving the teaching conditions of primary and middle schools reached 370 million yuan, giving last year the record for the greatest investment and the best results in improving the teaching conditions of primary and middle schools in the past few years.

For a long period of time, due to pricing, system, and management reasons, deficits in our province's grain business increased every year and the grain market was rather chaotic. This affected not only the stability of prices but also the balance between the revenue and the expenditure, and became a great hardship that restrained the province's economy. After the second session of the seventh provincial People's Congress, the provincial government organized a large-scale investigation and study activity joined by 15 departments, put forward comprehensive plans to tackle the problems, and formulated and issued 10 policy regulations, thus taking an important step in improving the grain business of our province.

The "two crises" in the exploitable forest resources and in the economic difficulties of enterprises became a major economic and social problem that aroused the great concern of the people from various circles. After the second session of the seventh provincial people's congress, the provincial government, in an effort to find out a way to eliminate the "two crises" as quickly as possible, organized an overall investigation of the "two crises" in the lumber industry, clarified the situation, analyzed historical as well as immediate reasons and subjective as well as objective reasons, and put forward the major targets and measures for "eliminating the crises and developing forestry."

In the past year, the provincial government persisted in attending to two fields of work simultaneously, and strove to achieve progress in building itself and improve the overall functions of the government. It paid attention to building the spiritual civilization while organizing economic construction. In the 1989 grain purchasing work, it did not attend to grain work alone. Instead, it persistently conducted education on patriotism among the peasants throughout the province, and commended model grain sellers in a big way. It intensified education

on professional ethics, discipline, and wholehearted service to peasants among the functionaries of relevant government departments. It summarized and popularized advanced experiences in a timely manner, achieving the best results in grain purchases in the year of serious disasters. It also stepped up efforts to remain clean and honest in performance of official duty. It conscientiously implemented the provincial party committee's decision on successfully carrying out the nine jobs of popular concern, and handled a number of cases which had aroused strong complaints among the masses, and of which evidence was ironclad. It established systems for remaining clean and honest in official duty performance, and made its work procedures public in large areas, thus strengthening the mechanisms for restraining and supervising itself. Starting with themselves, leading members of the provincial government changed work styles, remained diligent in doing their work, adopted a realistic approach to deal with practical matters relating to work, and set an example in this way. Thanks to the method of dividing government work targets and assigning the responsibility to various departments for attaining the targets, the provincial government enhanced the coordination and cooperation among its departments, and stimulated them to look for the best work positions based on overall needs and their individual development, thus improving the overall function of the government, and ensuring the fulfillment of overall targets. The provincial government further strengthened efforts to carry out government work according to the law, enhanced its legislative work, and strove to bring its work onto the track of the legal system. In the past year, it emphasized legislation and law-enforcement supervision and inspections concerning economic improvement and rectification, honest performance of duties and public security. A total of 51 government regulations were issued in the year, and six local laws submitted by the provincial government were discussed and approved by the provincial people's congress Standing Committee. Enforcement of these regulations and laws effectively guaranteed the smooth progress of the province's endeavor of improvement, rectification, and in-death reform.

Deputies!

Thanks to the work in the past year, the various targets defined at the second session of the seventh provincial people's congress earlier that year were by and large accomplished.

Economic improvement and rectification developed toward the anticipated targets.

The price index control target set forth earlier last year was by and large attained. Thanks to the "383 project," the annual retail price rise of the province was 14 percent, which was 3.8 percentage points lower than the preceding year, making us a province with the lowest price rise in the country.

The scope of investment in fixed assets and the trend for increase in consumers' demands were initially controlled. Through a thorough investigation, the whole province suspended or delayed the construction of 228 projects, and cut the investment scope by nearly 1 billion yuan. The investment structure was slightly readjusted and the construction of key projects was strengthened. Consumption by social groups reached 3.14 billion yuan, an increase of 10.8 percent, which was lower than the scope of increase in the previous year.

The scope of credit was controlled. Thanks to our efforts to conscientiously implement the policy on strictly controlling credit and putting currency into circulation, the net amount of money put into circulation during the whole year was only 4.12 billion yuan, a decline of 18.3 percent from the previous year. The amount of loans of various description increased by 7.76 billion yuan, an increase of 17 percent over the previous year. Savings deposits of urban and rural residents increased by a large margin. The amount of savings deposits at the end of the year showed an increase of 38.4 percent over the beginning of the year.

We achieved initial results in consolidating the exchange order. The whole province universally screened and reorganized 11,640 companies, of which 3,246 were dissolved. The whole province basically banned the practice of wholesaling the same kind of products twice in the same city, and noticeably improved the confused situation in the exchange order.

Economic structural reform has proceeded steadily.

We actively and steadily promoted and deepened reform. Reforms of the whole province steadily advanced in the course of difficulties and remarkable results were achieved. We continued to deepen all rural reforms centering on improving the land system and achieved progress in improving the centralized and decentralized operational mechanism which integrated unified and separated management and continued to consolidate and improve the enterprise contract responsibility system in management. Most of the enterprises implementing the contract system, under the situation in which they had to take on many factors leading to increasing expenditures and reducing revenues, fulfilled the tasks stipulated in the contracts. We promoted the rational flow of the essential production factors and optimized organization in a well-organized and planned manner, and promoted readjustment in industrial set-up. The reform of the financial, banking, materials, and foreign trade systems were smoothly carried out and reforms in the reform experimental zones were soundly developed.

The national economy steadily progressed in the course of retrenchment.

The effective supply increased continuously. The whole province's GNP reached 55.3 billion yuan, an increase of 5.8 percent over the previous year; the national income reached 48 billion yuan, up 4 percent over the previous

year; and the total industrial and agricultural output value reached 96.11 billion yuan, up 4.2 percent over the previous year. The situation in which the overall collective supply exceeded overall demands formed during the past years improved slightly. The rate of difference between the overall social supply and the overall collective demand dropped from 19.6 percent in the previous year to 8.6 percent.

The status of agriculture as the foundation was further strengthened. We still reaped a fairly good harvest despite the unprecedentedly rare drought in history. The whole province's total output of grain, soybeans, and tubers reached 16.69 kg, a decline of 4.7 percent from the previous year. Grain purchases and storage, however, were the best during recent years. We witnessed a sustained increase in the production of animal husbandry. The number of hogs in stock was 5.49 million, up 12.7 percent over the previous year; and the number of large animals in stock was 3.24 million, an increase of 1.9 percent. Rapid increase was achieved in forestry, fishery, township enterprises, and sideline production. New progress was also made in state farms and their grain output was the best since the founding of the country.

We maintained a certain growth rate in industrial production, achieved progress in the readjustment of product mix, and increased energy, communications, and telecommunications by a large margin. The whole province's total industrial output value reached 80.49 billion yuan, an increase of 6.2 percent over the previous year. After August, the industrial production rate declined noticeably. But compared with that of the whole country, the fluctuation was quite small. We guaranteed a definite growth in financial revenues, and slightly improved the industrial production structure, cut the production of products that needed a large investment and consumer goods that were not readily marketable, and increased the production of products that could find a good market.

Markets were stable and foreign trade continued to achieve development. The province's total retail sale of social commodities reached 33.31 billion yuan, 16.8 percent more than 1988. Markets across the province and residents' consumption demands were stable. The province's total volume of both exports and imports continued to increase and reached \$1.34 billion, a 14.7 percent increase over 1988. Of this total volume, that of exports reached more than \$1 billion. The border trade volume with the Soviet Union scored a new increase and the traded goods in the year were worth 590 million Swiss francs, a 2-fold increase over 1988. The departments of customs, commercial inspection, railway transport, airlines, waterway transport, and post and telecommunications actively made contributions to supporting the province's foreign trade. Both economic and technical cooperation with foreign countries and domestic lateral economic associations achieved new development. The province also scored better achievements in tourism under fairly difficult international circumstances.

Under the conditions of reducing revenues and increasing expenses, the province realized 7.18 billion yuan of total financial revenue in the year, an 8.8 percent increase over 1988; and 8.54 billion yuan of total expense, a 13.1 percent increase over 1988. By including the account settlement with the central authorities, the province maintained a balance between revenues and expenses and had a little surplus. The province also fulfilled the state assignments for buying state bonds and special bonds and collecting funds to support construction projects for energy resources and communications and for budgetary readjustment.

Under the state macroeconomic principle of conducting "double tightenings", the province, in banking affairs, basically ensured the funds needed for the province's economy to score an adequate increase by vigorously serving local economic development, integrating the banks' role with government action, actively making arrangements, carefully organizing fund sources, and flexibly transferring funds.

Various social undertakings achieved development, somewhat.

Educational undertakings achieved stable development. The province basically made elementary education universal and areas with about 20 percent of the province's population began to make middle school education universal. The middle and primary schools in areas with more than 90 percent of the province's population have safe structures and enough classrooms and desks. Fifteen percent of their primary schools reached standardized levels. By proceeding from economic construction and social development, the province vigorously developed vocational and technical education, held on-the-job training classes for staff members and workers and classes in practical technologies for peasants, readjusted the structure of higher educational institutions, and consolidated adult education.

Science and technology played a prime role in productive forces. In line with the enforcement of the "bumper harvest plan" and the plan for developing the three-river plain and improving the middle- and low-yield farmland, the province popularized 17 important results of agricultural science and technology in the year and organized the enterprises to increase the variety of new products of light and textile industry, foodstuffs, and chemical industry. The province scored new achievements in the work of overcoming scientific and technological difficulties, popularizing new technologies, and importing outside advanced technologies. The province won nine state prizes for scientific and technological progress, three state prizes for invention, and five state prizes for the "spark plan award". The province also appraised 159 results as qualified for receiving the provincial level prizes of scientific and technological progress. Science and technology penetrated into various sectors of the economy and various circles of the society, thus bringing about a new situation in which the people talk about science and technology, apply them, are

enthusiastic for them, and rely on them. The province enhanced macromanagement in the work of technical supervision by regarding quality as a center, which played an important role in economic and social development and in improving the economic environment and rectifying the economic order.

New progress was made in culture, public health, family planning, physical culture and sports, and the mass activities of building the spiritual civilization. The province upheld the principle of rooting out "obscene things" on the one hand and of achieving prosperity on the other hand in the work of culture, literature, and art which achieved prosperous development in the course of consolidation. The work of journalism, publication, and radio and television broadcasting played an active role in spreading spiritual civilization and stabilizing the province's whole situation along the track of upholding the correct direction of guiding public opinions. The province scored better achievements in the work of medical care and public health by upholding the principle of putting prevention first and adopting comprehensive measures of disease control. It still effectively brought the population growth under control in the family planning work while entering the year of the baby boom. The province's natural population growth rate was 13.4 per thousand. It made smooth progress in making preparations for the seventh national winter games and its outstanding athletes scored better achievements in both domestic and international events.

The people's livelihood has been basically stable. Under the situation in which the contradictions between supply and demand were quite large, we guaranteed the supply of essential products for people's livelihood.

The social situation was basically stable. Focusing on handling student unrest, quelling disturbances, eliminating the "six vices," and guaranteeing safety during the four festivities, we actively carried out prevention work, conducted special struggles against criminal offenses, cracked a number of cases that could have caused great harm, and achieved initial improvement in social order. All trades and professions paid further attention to production safety. Incidents such as fire and traffic accidents declined from the previous year. The record for prevention of forest fires was the best in history.

The departments for the various nationalities and religions and for Overseas Chinese and foreign affairs respectively displayed their active roles in safeguarding and strengthening unity among the people of various nationalities and all circles throughout the province, expanding the patriotic united front, and strengthening the friendly contacts between our province and all countries and regions in the world.

During the past year, we maintained a stable situation in face of severe tests in our economic, political, and social life and in various other fields, and achieved initial success in improving the economic environment, rectifying the economic order, and deepening reform. We

attributed our achievements to the correct leadership of the party Central Committee, the State Council, and the provincial party committee; the correct policy decisions and effective supervision of the provincial People's Congress; the enthusiastic guidance, great help, and sincere cooperation of the provincial Advisory Commission, the provincial CPPCC Committee, the provincial Discipline Inspection Commission, the provincial military district, various democratic parties, nonparty personages, the Trade Union, Communist Youth League [CYL], Women's Federation, mass organizations, and various central units stationed in our province; the lofty political zeal, and the painstaking and remitting efforts displayed by the people of various nationalities throughout the province in a difficult environment. During recent years, particularly last year, the provincial party committee further popularized Daqing's experience in conducting ideological and political work. After deeply carrying out the learn-from-Daqing activities and encouraged by the Lei Feng spirit and Daqing spirit, all trades and professions and all fronts in the whole province witnessed the emergence of a number of heroes, models, and advanced collectives. Representatives of heroes and models included Ding Fuhai, a workshop worker of Harbin Bearing Plant who accomplished the work that should be done by five persons; Shen Guan, leader of the Daqing No. 1,205 well drilling team who was the successor of the "iron man;" Luo Xisheng, a one-arm youth of Jixi Coal Mining Administration; Zhang Hongtian, a peasant in Mishan City who led other peasants to get rich; Ding Shuqin, a saleswoman of Mudanjiang Department Store who treated the customers warmly; Zhao Yuxia, a special-grade teacher of Harbin Fuhua primary school who imparted knowledge and educated the children; Wang Zhifu, an outstanding female sanitation worker in Qiqihar City; Liu Ping, chief of a public security bureau in Dongning County who always stood up for the right; Ma Zuguang, professor of Harbin Engineering University who made outstanding contributions to laser science; and Fan Guangju, director of Qiqihar Steel Plant and an outstanding entrepreneur. A great number of advanced collectives also promoted the spirit of revolutionary heroism and collectivism under very difficult circumstances, advanced forward despite difficulties, and worked indomitably. They created not only a vigorous situation in their own units but also made outstanding contributions to the whole province's political stability, economic development, improvement, rectification, deepening of reform, and building of the two civilizations. These heroic models and advanced collectives displayed the spirit of dedication, selflessness, unity, and the lofty sentiments of putting other people's interest ahead of their own; worked painstakingly without complaints; and set examples with their concrete deeds. They encouraged and urged the people of the whole province to work with one heart and one mind, to overcome difficulties and to advance bravely together with the party and government. Here, on behalf of the provincial government, I would like to express lofty respect for workers of all trades and professions, peasants, intellectuals, cadres,

the People's Liberation Army [PLA], the armed police force, public security policemen and cadres, and people from all circles who contributed their wisdom and ability and worked diligently for improvement, rectification, deepening of reform, and the whole province's economic and social development, and extend heartfelt thanks to the people of various nationalities throughout the province who supported and encouraged the government's work.

In the past year, our province achieved good results in the endeavor of improvement, rectification, and in-depth reform, but some difficulties and problems that we must not neglect still existed. In our province's economic activities, the three fundamental contradictions of imbalance between total supply and total demand, irrational structure, and poor economic results had yet to be effectively resolved. Despite initial success in the state's adjustment policy of ensuring and developing essential projects while reducing and stopping nonessential ones, an economic operational mechanism that could maintain and develop an optimal structure had yet to be established in our province. Due to fund shortages and market sluggishness, a large number of enterprises were bogged down in difficulties, the growth rate of industrial production notably slowed down, the economic benefits of enterprises declined, and the factors leading to increased expenditure and decreased revenue continued to grow. Due to the serious disasters affecting agriculture, the number of impoverished households increased in rural areas, making our weak agricultural foundation and lack of potential for sustained development more conspicuous. These problems made the already grim situation become even more complicated. When the provincial government was carrying out its work, its analysis of the economic operation and forecast of the development trend failed to suit the changing situation, and it lacked mental preparations for the sudden decline in industrial growth rate and sluggish market sales in the second half of the year. When performing the function of economic management, the provincial government failed to use economic, administrative, and legal means and the means of political and ideological work in a flexible and coordinated manner, and lacked comprehensive regulatory and control measures that could stand tests. The provincial government also did not carry out its work thoroughly enough, and lacked a thorough understanding of the demands and desires of the masses, a systematic analysis of them, an understanding of the specific difficulties of the masses and effective measures to resolve them. It failed to effectively eliminate excessive meetings and documents. Corruption practiced by some organs and cadres, the abuse of authority by some units with real power to extort and withhold money and materials to meet selfish ends still existed despite repeated prohibitions. And it was still bureaucratic and inefficient in doing work. The provincial government will conscientiously solve these problems when carrying out work in the future, and is determined to live up to the great expectations of the party and the people.

2. We Should Further Improve the Economic Environment, Rectify the Economic Order and Deepen Reform Without Fail.

The year 1990 is one for solving the most difficult problems in the endeavor of improvement, rectification and in-depth reform. A success in this year's work will create a good beginning for accomplishing the second-step grand goal of the strategy for economic development. However, the situation we encounter this year is more rigorous than last year's, contradictions are more complicated, and tasks are very arduous. Under such circumstances, stability should be the overriding task. Without a stable and united political situation and a stable environment, nothing can be accomplished. Therefore, all our work should be carried out to ensure political, economic, and social stability. The basic point of this year's government work is to focus on and aim at stability in doing everything.

The "plan for implementing the 'decision on further improving the economic environment, rectifying the economic order, and deepening reform' made at the fifth plenary session of the 13th party Central Committee" formulated at the fourth plenary session of the sixth provincial party committee clearly defined the general guiding thought for our province to implement the party Central Committee's "decision" to resolutely implement the guidelines of the fifth plenary session of the party Central Committee; concentrate efforts on the endeavor of improvement, rectification, and in-depth reform; focus on this endeavor to further implement and promote the principle of "developing the province through science and technology;" mobilize the entire party to successfully develop agriculture; conscientiously reduce consumption demands; strive to increase the supply of essential goods; continue to stabilize market prices; successfully restructure the economy; greatly improve economic results; unite as one; maintain plain living and hard struggle; enliven the economy while implementing the retrenchment policy; pursue progress while maintaining stability; and lay a solid foundation for achieving the sustained, stable, and coordinated economic and social development of our province.

Based on this guiding thought, the targets of our province's endeavor for improvement, rectification, and in-depth reform for 1990 are defined as the following:

- Continue to lower price rises. We should strive to reduce the 1989 retail price increase by approximately 1 percentage point from that of the preceding year.
- Strive to maintain a financial balance with a slight surplus. We should strive to fulfill the plans for credit and foreign exchange receipts and payments and raise the efficiency in the use of funds.
- Alleviate structural contradictions. The position of agriculture as the foundation should be strengthened, and the output of such major farm products as grain and meat should be increased over last year. The supplies of electricity, coal, means of transportation, and major raw materials should be increased to ease the shortages.

- Maintain a proper economic growth rate on the basis that economic results are improved conscientiously. In 1990, we should strive to increase the agricultural output value by 5 percent, the industrial output value (including village-level industries) by 5 percent, total social production by 4.8 percent, GNP by 4.6 percent, national income by 4.3 percent, and the financial revenue by 4.8 percent.
- Conduct explorations and experiments on the establishment of a macroeconomic regulatory and control system that conforms to the principle of combining the planned economy with market regulation, and that uses economic, administrative, and legal means comprehensively.
- Achieve a notable turn for the better in the economic and social order. We should provide a good social and economic environment for sustained, stable, and coordinated economic development.

While carrying out economic work successfully and strengthening efforts to build the material civilization, we should greatly strengthen efforts to build the spiritual civilization. In line with the actual conditions in economic construction, reform, and opening up, we should conscientiously strengthen ideological and political work; occupy the ideological and cultural fronts with Marxism-Leninism-Mao Zedong Thought; and use communism, socialism, collectivism, patriotism, and the spirit of self-reliance, plain living and hard struggle to unify the will and action of the people throughout the province. We should resolutely implement the guidelines of the fifth plenary session of the 13th party Central Committee, meticulously organize the implementation, and work in a creative manner in line with the arrangements of the fourth plenary session of the sixth provincial committee, the continuously changing situation, and specific local conditions.

A. We should strengthen the position of agriculture as the foundation, and rely on science and technology to develop agriculture.

The effort to strengthen the position of agriculture as the foundation has a decisive significance in stabilizing the entire economic situation and even the entire society. Based on the guidelines of the party Central Committee and the arrangements of the provincial party committee, the provincial government formulated the "Heilongjiang Provincial Plan for Developing Agriculture Through Science and Technology." "Developing agriculture through science and technology" means to implement the "three-in-one" agricultural development strategy worked out by the provincial party committee and—based on the inherent demand for economic improvement and rectification in agricultural development, and by strictly following the natural law, and the economic law, and relying on science and technology—to emphasize grain production; actively develop animal husbandry; expand township enterprises in a stable manner;

and achieve sustained, stable, and coordinated development in the rural economy comprehensively through increasing input, upgrading technology, and improving management.

This year, the year to start the project of developing agriculture through science and technology, we should lay a solid foundation for achieving the agricultural development targets during the period for economic improvement and rectification. The output of grain, soybeans, and tubers should be 18 billion kg, an increase of 8.1 percent; the production value of animal husbandry should rise by 10.5 percent, and the output of major animal byproducts, such as meat, poultry, eggs, milk, and sheep's wool, should grow steadily; a substantial growth should be maintained in the output value of township enterprises; trees should be planted on 3 million mu of land, more than 85 percent of the trees should survive and more than 80 percent should be retained; and the output of aquatic products should be 145,000 tons, an increase of 7.4 percent.

We should rationally adjust the geographic distribution of crops and the agricultural structure, and fully display the natural resources and production advantages in various areas. We should further expand the grain cultivation acreage and increase the total grain output. This year, we should restore the farming acreage of grain, soybeans, and tubers to the highest historical level of 110 million mu; increase the areas of high-yield crops such as corn and paddy rice by 1.2 million mu; and strive to make breakthroughs in raising the per-unit area yield. We should cultivate economic crops in line with industrial and market needs and cultivated beets, flue-cured tobacco, and flax in line with plans. Conscientious efforts should be made to grasp the production of staple vegetables in cities, towns, and suburban areas; guarantee the vegetable acreage; and maintain a rational structure of vegetable strains. We should comprehensively develop the coordinated production process of five superior natural resources including "sugar, tobacco, flax, milk, and paper." The industrial sector should consider agriculture as its "first workshop," create conditions for it, promote its development, and establish relatively stable raw materials bases. Through adopting such methods as improving strains and cultivation techniques and increasing input, we should raise the per-unit area yield and provide abundant and good quality raw materials for industry with a limited amount of land.

We should tackle high-yield experimental projects in a large-scale manner. It is necessary to consider the "bumper harvest plan" as the main content of our work, and the practice of contracting projects to technological groups as the major means, persist in combining the efforts of leaders with scientific and technological personnel and peasants, and combine technology with materials and funds, and promote the rational coordination and comprehensive application of the existing applicable technology for increasing production. The provincial

agricultural technological group should contract 10 million mu of farming acreage and turn them into high-yield fields, promote the development of 36 million mu of fields under the "bumper harvest plan," and strive to use one-third of the province's cultivated land to produce one-half of the province's grain. Prefecture (city), county, and state farms should take the methods of the provincial authorities as reference, do a good job in contracting land to local agricultural technological groups, and gradually standardize the technologies. At the same time, we should develop new technology; strengthen momentum for agricultural technological development; pay attention to raising the production level in low-yield areas, low-yield plots, and low-yield peasant households; popularize and apply technologies; and realize a harmonious increase in production.

We should strengthen the agricultural foundation. Continued efforts should be made to carry out "heilong-cup" competition in the construction of agricultural and water conservancy projects; and to increase paddy fields; and improve waterlogged, drought, and water-and soil-eroded areas by 8 million mu in line with the plan. Efforts should be made to implement the system of increasing land fertility, conduct competition on attaining the target set for the land fertility plan, apply more farm manure to fields and expand the areas for cultivating green manure. We should improve the system of breeding fine strains; accelerate the selection, cultivation, and popularization of fine strains of crops; and produce new varieties of high-yielding and good quality corn and paddy that can stand adverse conditions. We should also conduct "iron cattle-cup" competition, raise the level of mechanized farming in fields, and establish the system of updating farm machines and implements. We should adopt the method of receiving support from the provincial authorities and urging cities and counties (industries) to invest and peasants to raise funds. Beginning this year, the provincial authorities should allocate 10 million yuan every year as investment subsidies and strive to update 1,000 large tractors or so. In line with local conditions, we should promote the method of managing farm machines in a unified manner in five aspects in an effort to raise the farm machines utilization rate. We should establish the system of rotationally using farm machines to turn over the soil, combine the work of turning over the soil with the work of loosening the soil and harrowing the land, and improve the physical and chemical properties of soil.

We should do a good job in developing agricultural zoning; persist in "making science and technology play a leading role;" improve dry and waterlogged lands as well as medium-and low yield fields; comprehensively improve the land by increasing soil fertility, improving grassland, and planting trees; and expand the acreage of high- and stable-yield fields. Under the plan, we should fulfill the tasks of developing the Sanjiang and Songnen Plains, improving major rivers, and building reservoirs. All cities and counties should do a good job in turning dry fields into paddy fields and improving soil in the

experimental areas and should explore a feasible pattern for improving large areas of medium- and low-yield fields in the future.

Efforts should be made to actively develop animal husbandry which played not only an important role in promoting the rhythmic upsurge of agriculture but also a decisive role in providing fine raw materials for industries. Therefore, we should realistically regard animal husbandry as an "axle" production for making agriculture and the entire economy prosperous throughout the province. Efforts should be made to enhance the basic construction of animal husbandry, to vigorously popularize the practical livestock technologies, to stabilize the development of milk cows, to vigorously upgrade the slaughter rate of hogs, and to increase the output of animal by-products. In both 1990 and 1991, the proportion of animal husbandry in the total agricultural output value will be increased by one percentage point. Meanwhile, we should regard the work of actively developing the court-yard economy as an important way of having peasants become wealthy.

Town-run enterprises have played an important role in developing the rural economy, in increasing job opportunities for employment, and in upgrading the level of the people's livelihood and we will continue to have them play such a role. Difficulties encountered by town-run enterprises are more than before so that governments at all levels should give a helping hand to them and conduct guidance among them. Efforts should be made to earnestly implement the "principle" of adjustment, consolidation, transformation, and improvement; and to readjust the structure, improve the management, increase economic results, and maintain adequate growth. We should organize similar enterprises of various industries and trades in large- and middle-sized cities to support the town-run enterprises and to uphold the policy of effectively encouraging or helping town-run enterprises achieve development. Hereafter, production and products which can be developed in rural areas should be preferentially given to town-run enterprises. We should resolutely conduct transformation, shutdown and production suspension, and transfer among the enterprises which have had high consumption, produced poor quality goods, and caused serious pollution. Meanwhile, efforts should be made to guide the returned peasants and workers from the closed or suspended plants to plunge into the tasks of developing agriculture, planting trees, and building water conservancy works and rural highways so as to block the blind flow of labor forces.

Forestry should continuously achieve development. Efforts should be made to actively implement the province's plan for planting trees and to totally fulfill the state assignment of building the three northern shelter-belt projects. We should further implement the "forest law," enhance the protection and management of forestry resources, resolutely block illegal fellings, and better conduct the work of forest fire prevention. Efforts should be made to develop forests that have timber value,

economic value, fire wood value, and value for the making of charcoal. We should formulate the "plan" of overcoming the crises to develop forests, reform the managerial style, readjust the industrial and product structures, carry out comprehensive development, engage in diversified economy, and should actively popularize the "experience" gained by Hejiang in dealing with the "two crises" of forestry by self-reliance so as to create conditions for mounting the track of rhythmic upsurge.

Efforts should be made to continuously have the state farms play an important role in developing agriculture across the province. Their current difficulties are larger than before and their potential in development is also quite large. We should further improve the "double production system" of having specific members of state farms open small farms, enforce various responsibility systems with payment related to output, tap the internal potential of state farms, uphold the principle of engaging in diversified economy, vigorously improve the management of state farms, and should bring into play the strong points of farm machines. Efforts should be made to enhance the assistance for difficult farms so as to achieve overall development among state farms.

Input in agriculture should increase. All industries and trades as well as departments, particularly departments in charge of economic management, should regard as a first-grade task the work of supporting and serving agriculture and making agriculture prosperous; and should gradually establish or improve the system of supporting agriculture and the mechanism of agricultural input. While actively seeking state investment and realistically using state investments well, we should readjust the structure of investment plans, budgets, and banks and loans and should concentrate on enforcing the special policy in agriculture. Within the five years the province will show a 1 billion yuan increase in investments in agriculture and in 1990 it will ensure a 120 million yuan increase in this regard. Of this increase, that raised by the provincial level organs reaches 50.5 million yuan, which could somewhat increase the sum if necessary in the course of spending the investments. Counties (including county-level cities) should ensure 30 percent of their flexible funds to be used in agriculture, and cities and prefectures should also actively increase their investments in agriculture. Efforts should be made to establish or improve the system of developing agricultural funds, to introduce managerial mechanism, to allow a number of funds to be circulated on a repayment basis, to enhance collective management over funds in rural areas, and to establish the new system of having collectives accumulate funds. We should actively mobilize and organize peasants to increase labor input, and establish a labor accumulation system. We should also link and coordinate state investment with peasants' input so that investment can yield more returns. All departments concerned should screen according to law the collection of fees from peasants, and resolutely ban all unwarranted collection so as to realistically reduce the

burden on peasants. We should actively absorb funds from outside the province, and promote lateral cooperation in agricultural development. We should facilitate the development of agriculture-oriented industries, actively develop new products in support of agriculture, and improve our capacity and level in making material input into agriculture. We should adopt all possible means to expand the resources of means of agricultural production; further strengthen management of the markets for means of agricultural production; reduce the intermediate managerial links; and strive to make this year's supplies of chemical fertilizer, pesticides, plastic sheets for farm use, diesel oil, electricity, and other materials for farm use better than last year.

We should deepen the rural reform and stabilize and improve the rural policies. The multifarm output-related contract responsibility system with household management as the major form will remain unchanged; so will the policy to allow and encourage some localities and some people to achieve prosperity ahead of others while aiming at common prosperity, the policy to encourage and guide the healthy development of township enterprises, the policy of combining the planned economy with market regulation in handling major farm and sideline production, and the policy to "never slacken grain production while actively developing a diversified economy." In view of the imperfect and uncoordinated areas in past rural reform, the focus of our endeavor to deepen rural reform is to persist in and improve the household output-related contract responsibility system. We should improve the dual management system combining unified and decentralized management, upgrade and strengthen the function of unified service, gradually expand the collective economy, encourage peasants to carry out multifarm cooperation and association, and establish and perfect the self-service system of rural areas. We should popularize such successful experiences as the "double guarantee system," the mutual-aid farms, and the cooperation fund in line with specific local conditions. We should apply the optimal-scale farming method to the localities where conditions permit on the premise of voluntary participation by the masses to promote the development of agricultural productive forces.

We should strengthen ideological and political work in rural areas, and boost the enthusiasm of the masses of peasants. We should educate the masses to correctly handle the relationship among the state, the collective, and the individual in terms of interests; carry forward the spirit of self-reliance, plain living, and hard struggle; and strive to reap a bumper harvest this year.

B. We should tap the potential of enterprises to enable them to achieve better economic results through all possible means.

Improving economic results is the key to success in economic improvement and rectification. As far as the industry is concerned, the most important task at present is to help enterprises overcome actual difficulties

through all possible means, ensure normal production by enterprises, and maintain proper increases in industrial production.

Adjustment of the structure is the basic way to improve economic results and promote a rhythmic upsurge in the economy, and also an important way to extricate the economy from current difficulties. We should actively and prudently adjust the industrial production setup, product mix, and enterprise organization in line with the state's industrial policy based on the requirements set forth in the plan for economic improvement and rectification and the plan for developing the province through science and technology which were adopted at the fourth plenary session of the sixth provincial party committee, and on the premise that the overall situation is stabilized. We should pay attention to combining adjustment of production setup with adjustment of product mix, with the focus on the latter. We should simultaneously adjust the production of the products which should be increased, and adjust the production of overstocked products, with the focus on the latter; strive to promote the rational flow and optimal organization of the essential elements of production; help as many enterprises to merge or change their production lines as possible; and reduce the number of those to be closed down or to have their production suspended to the minimum. Governments should correctly use the various economic levers and adopt special policies to promote restructuring. We should give special emphasis to certain industries strictly according to policies and guard against giving equal emphasis to all industries. At present, in line with the state's industrial policy and the ideology put forward by the provincial party committee on "using the efforts of one aspect to promote four aspects," and the order of development for industries and products formulated by the provincial government, we should give emphasis to the development of some projects that conform to the orientation of readjusting the industrial structure and can manifest the requirements of scientific and technological progress. The emphasis should be placed on developing products and projects that help to increase effective supply, optimize structure, and produce good economic results and social benefits.

We should strive to invigorate economic exchanges and try by all possible means to command the sales of products. At present the sales of products are not good. This is a direct cause for landing industry and the whole economy in a predicament. Governments at all levels and all departments should adopt effective measures to eliminate this difficulty. The industrial and commercial departments should enhance their spirit, help each other, strive to open up markets, actively broaden the sales channels, organize commodities to mountainous and rural areas, increase exports, try by all possible means to invigorate economic exchanges, and guarantee the smooth flow of goods. Conscientious efforts should be made to make inventories, tap potential, analyze the structure of stockpiled goods, and adopt different methods to accelerate the sales of goods according to

different situations. The methods of contracting the sales of products and holding meetings to order goods which was practiced by some enterprises in the past should be implemented in a continued and selective manner. Banks and financial departments should support the commercial, supply and marketing, materials, and foreign trade departments to purchase some marketable products. Departments concerned should exert cooperative efforts and actively adopt measures to help enterprises clear the "debt chains" rapidly and invigorate the use of funds.

We should rely on scientific and technological progress to raise enterprises' technical level. It is necessary to rapidly popularize a group of scientific and technological achievements that requires small investment but yield quick return. We should strengthen technological transformation and carry out mass technological innovation activities. Technological transformation should be carried out in line with the stipulations of the industrial policy. The goal of technological transformation should be on improving quality, reducing consumption, and increasing economic results, and the emphasis should be placed on transforming large and medium-sized energy and communications enterprises; enterprises for producing major raw materials, major technological equipment, and agricultural materials; and enterprises for producing goods essential for the people's livelihood. We should outstandingly expect the popularization and application of domestic and international applicable technologies; make full use of the existing science and technology; combine large-scale transformation with small innovations; display the potential of resources, equipment, technology, and trained personnel; increase production; and raise economic results. Continued efforts should be made to run well and improve the technology development centers of all trades with support from large and medium-sized enterprises, and fully display their role in spreading technology and products to medium-sized and small enterprises.

We should strengthen enterprise management and firmly raise product quality and reduce consumption. Industrial responsible departments at all levels should accelerate the turnover of working funds and reduce the consumption of mechanical labor by one percentage point or so and should believe it as they did in grasping the "383" project. Efforts should be made to deeply conduct activities on comparing and attaining the targets, on increasing production, on practicing economy, on increasing revenues, and on reducing expenditures as the main content. All enterprises should compare the targets of product quality and consumption with provincial, national, and foreign advanced enterprises of the same trade; draft measures for attaining the targets, and set a time limit for gradually upgrading the products. The work of comparing and attaining the targets of product quality and material consumption should be included in the contract responsibility system. Enterprises or contractors should hold economic responsibility if they cannot fulfill the work within the time limit.

Those who meet the requirements set in the targets should be awarded. We should try by all possible means to reduce the consumption of energy and other major raw materials. The budgetary energy and raw materials supply of major power- and raw material-consuming units should be deducted if they cannot fulfill the assigned annual tasks for reducing power and raw materials consumption. Production of key products and export products should be organized in line with international standards so that the product quality and enterprise management of our province can be upgraded to a new level. We should regard production safety as an important part of enterprise management, establish and persistently carry out the system of responsibility for production safety targets, strengthen the state's supervision and administrative management, and the masses' supervision of production safety to gradually channel production safety to the track of the legal system.

State large- and medium-sized enterprises are the key to the efforts to tap potential and improve economic results. Various measures should be adopted and necessary conditions provided to ensure the production of large- and medium-sized enterprises. All unreasonable demands for money or fees should be banned according to the law to reduce the burden on enterprises, and enterprises should be encouraged to strengthen their own basic work to enhance their ability for self-restraint and their capacity to accumulate funds for development. In the distribution of manpower, financial and material resources, coal, electricity, and means of transportation, priority should be given to the 136 key large and medium-sized enterprises. While invigorating large- and medium-sized enterprises, we should also conscientiously give necessary support to the small and medium-sized industrial enterprises which produce industrial goods for daily use, industrial goods in support of agriculture, and readily marketable products.

We should improve the system for directing production, and do a good job in the organization and management of production. We should strengthen and expand the functions of production management departments so that they will conscientiously hold the responsibility for management, organization, coordination, and direction of enterprise production, supplies of coal and electricity, means of transportation, enterprise management, quality checkups and; production safety; will participate in the regulation and distribution of funds and materials; optimize the disposition of resources in the rather strained economic environment; and maintain a proper growth rate and fairly good economic results in the industry of our province.

We should pay close attention to ending the deficits and increasing the profits of the money-losing enterprises under grain, foreign trade, and commercial and industrial departments with the focus on those experiencing large amounts of deficits. Enterprises losing money for a long period of time due to poor management should be audited and ordered to put an end to their deficits within a fixed time. With regard to the enterprises losing money

due to policy reasons, we should continue to apply to them the method of "assigning them fixed deficit quotas, giving them no subsidies when they exceed the quotas and allowing them to retain some or all of the reduced amounts of the deficits when their deficits are below the quotas." Pertinent departments should organize experts to analyze the reasons for the deficits of the enterprises suffering huge deficits and help them stop losing money as soon as possible. Some money-losing enterprises should be selected to try out the diagnosis system, and colleges and universities and scientific research institutes should be organized to establish links with these enterprises through various measures to help them improve their managerial and technological levels and put an end to their deficits as soon as possible. Those really unable to put an end to their deficits should be merged with other enterprises or change their production and cooperate with others so that the number of money-losing enterprises can be reduced and adjustment of the industrial structure promoted.

The mental attitude of the vast number of cadres and the public throughout the province is the key to overcoming the current difficulties and achieving a long period of stable economic development. All trades and professions throughout the province should launch the "learn-from-Daqing" activities to learn from Daqing's patriotic spirit of winning credit for the country and the nation, pioneering spirit of self-reliance and hard struggle, realistic spirit of stressing science and "being honest in three ways and strict in four aspects," and sacrificing spirit of taking the overall situation into account and sharing the burden with the state. We should also launch the mass activities to learn from the "iron man Wang" and the "Ma Hengchang group" so that all enterprises and their staff members and workers will have high fighting morale to conquer difficulties.

C. We should continue the "383 project," rectify the economic order, and ensure the supply of essential goods to keep the market thriving and prices stable.

This year, we should continue to carry out the "383 project" and, after earnestly summarizing experiences, give emphasis to the major aspects, and improve the quality of the project.

Strenuous efforts should be made to increase the volume of effective supply. The province plans to realize 38 billion yuan in total retail sales this year and to show a 14.1 percent increase over 1989. It plans to make preferential arrangements for the production of daily commodities for the people's livelihood by carrying out technical exploration, readjusting the product structure, and increasing the volume of products in short supply. Efforts should be made to actively raise funds, to vigorously build the bases of turning out commodities for the people's livelihood, to support local industrial production, and to ensure the supply of raw materials for producing commodities for the people's livelihood. We should also stabilize the relationship of goods supply, optimize the channels of goods supply, and expand the

sources of commodities. Efforts should be made to further apply the province's strong points to doing a good job in making overall arrangements for material supply coordination. The province strives to show a more than eight percent increase over 1989 in the province's production of commodities for the people's livelihood. The production of major consumer goods should show a larger-scale increase over 1989. The province strives to show a more than 10 percent increase over 1989 in the possible supply volume of market commodities.

Price management will be further enhanced. The provincial people's government will put their work emphasis in bringing commodity prices under control on the prices of 103 basic means of the people's livelihood so as to ensure the stable livelihood of the overwhelming majority of the people. Meanwhile, efforts should be made to uphold the principle of integrating readjustment with control, and to organically combine the work of bringing commodity prices under control and readjusting prices with that of gradually straightening out the relationship among prices. As to particularly unreasonable prices, the province, in line with the principle of being favorable toward promoting production and bringing to bear no influence on the price index as well as according to the limits of the authority's approval, will carry out readjustment in a planned and guided manner step by step. In readjusting prices, we should do a good job in selecting an opportunity, fully taking the people's mental and economic endurance into account, and in bringing under strict control the variety of products whose prices have been readjusted and the scale of readjusted prices so as to prevent from initiating a chain reaction. Efforts should be made to actively create conditions to gradually reduce the possibility of committing the shortcoming of "double tracks." As to the important commodities related to the national economy and the people's livelihood and to the commodities which will longer have "double tracks" prices, it is not allowed to raise their prices in disguised form by "turning their internal status of plan into an external one." Efforts should be made to select several commodities whose conditions permit their prices be "merged in the same track." As to the commodities whose prices are continuously in the "double track" system, we should set forth the maximum for them so as to prevent the phenomenon of "when the river rises the boat goes up." Efforts should be made to actively raise funds for stabilizing prices and to establish a foundation for readjusting prices.

The economic exchange order will continue to be consolidated. We will resolutely root out the intermediate links of carrying out exploitation by making large profits, disturbing the markets, and raising prices arbitrarily. A good job should be continuously done in conducting the work of checking or consolidating corporations and companies. By regarding the closed or merged corporations and companies as centers, we should earnestly investigate and deal with the appalling or major cases not only among the companies and business firms which

have acted as intermediate links by exploiting money but also among the service companies established in some production enterprises, which have raised the prices in disguised form and engaged in illegal sales. In line with the principle of carrying out strict checking, we should conduct classified consolidation among the remaining companies so as to further and clearly understand their business scale, principle, and channels; and to establish or improve the managerial systems of various companies, particularly the systems of finance and accounting, tax revenue, and auditing affairs to ensure their healthy development. In the exchange field of industrial daily commodities, we should have the state-run supply and marketing cooperatives and commercial firms grasp the wholesale link. In the exchange field of means of production, we should concentrate on consolidating the markets for coal and timber and strictly banning the business run by individuals in the marketing of means of production. In various links of marketing of means of production, we should do a good job in enforcing an open system, bringing into full play the role of supervisory departments, and earnestly investigating and dealing with activities violating the law and with speculation. Efforts should be made to further rectify the order of markets and trade fairs and to regard the work of enhancing supervision over market commodities and dealing blows to the production and marketing of fake and substandard products as an important component in consolidating the market order. Efforts should be made to resolutely root out the illegal operation of imposing forcible purchase and sale, raising prices arbitrarily, cheating consumers and cornering the markets, and selling fake commodities instead of the real and substandard commodities instead of good ones. The departments of industry and commerce, commodity prices, public security, tax revenue, technical supervision, public health, and epidemic prevention should make concerted efforts in consolidating the market order in a comprehensive way. Attention should be paid to consolidating the reform achievements scored in the exchange field, upholding the principle of multichannels and of limits of links, and continuously encouraging and protecting the normal operation of household-run industrial and commercial enterprises and privately-owned firms so as to enable them to better play their supplementary role for the state-run enterprises.

We should fully display the role of state commercial units as the main channels and reservoirs, and adopt comprehensive measures to further support state and cooperative commercial enterprises. The state and cooperative commercial units should persist in serving production and the people's livelihood, foster the ideology of holding responsibility to the market, expand the business scope of marketing, cooperative operation, trial sales, sales on a commission basis, and cooperative sales, develop various forms of industrial and commercial lateral economic cooperation, and actively purchase and promote the sales of local industrial products. We should expand the sales of products essential for the people's livelihood, particularly those products that earn little

profits but keep the cost in an effort to satisfy the needs. We should strengthen scientific management and the ideological and political work of state and cooperative commercial units, conduct all forms of education on professional ethics, improve service attitude, strictly observe operational policies, and raise the reputation of state commercial units.

D. We should continue to cut the scope of investment in fixed assets and strictly control the excessively rapid growth of consumption funds.

The problems in the expansion of the scope of investment and the rapid increase in consumers's demands have not been fundamentally resolved, and the hidden threat of price hikes still exists. We must uphold the policy of retrenchment, continue to control the overall social demands, and realistically lead an austere life for several years.

We must not vacillate in upholding the retrenchment policy. The whole province, from the higher to the lower levels, while pondering problems and managing things, should practice economy, oppose extravagance and waste, and promote the spirit of plain living and arduous struggle. It is necessary to cut the excessively large financial expenditures, make austerity arrangements, make careful calculations, and keep expenditures within the limits of income. Efforts should be made to strictly observe financial discipline and strengthen control over budgets. All levels of financial budgets, after being approved by the party committees and the people's congresses, should not be arbitrarily changed by any departments or persons. We should actively strengthen the management of extrabudgetary funds, correctly guide the use of funds, and raise the results in the use of funds. The banking departments should realistically uphold the retrenchment policy, arrange for the whole province's credit plan in strict accordance with the state plan and the stipulated targets, effectively manage funds, strive to invigorate the use of funds in the course of retrenchment, and support economic development.

Continued efforts should be made to cut the scope of investment in fixed assets. We must not break the planned annual investment scope and the overall investment scope of projects under construction. No approval should be given to those projects that exceed the scope and to those projects that do not exceed the scope but fail to conform with the industrial policy. We should consider the set investment scope as an important responsibility and implement it among the principal leaders, and consider it as an important measure for assessing their achievements in their official career.

We should further readjust the investment structure, give priority to guaranteeing the investment needs for agriculture, the "383" project, and the energy and communications projects. Of the budgetary capital construction investment, the input in the "projects for invigorating the province with scientific and technological achievements" and the "383" projects should not be less

than 60 percent of the total investment. In accordance with the demands of readjusting the industrial set-up and the possibility of the recent financial resources, we should continue to liquidate projects under construction. It is necessary to further cut the investment in non-business projects and, on the basis of cutting the investment by 10 percent last year, strive to cut 30 percent more. In the investment, we must not guarantee the construction of those projects without support facilities, projects that cannot go into normal production or give beneficial results after completion. Projects which we cannot guarantee their energy, communications, and raw materials must be resolutely stopped or delayed. In principle, no new processing industrial projects should be initiated and no new office buildings, auditoriums and hotels should be built. All prefectures should not expand the scope of investment by themselves and should not carry out capital construction projects in the name of conducting technological transformation and should not blindly expand production capacity.

We should strictly control the excessive increase of consumption funds. We should strengthen management of the funds to be used as wages, and keep the growth rate of workers' income lower than that of the national income and labor productivity. Beginning this year, state and collective enterprises and institutions will implement the system of "wage fund management handbook." Mandatory quotas will be set for the wages of state units so that they can be managed according to plan. We should gradually put workers' income from sources other than wages under the management of the state. We should strengthen collection and management of personal income regulatory taxes, and the taxes from collective enterprises and individual industrial and commercial household businesses, and strictly control the inordinately high income of the managers of some companies and enterprises so as to eliminate unfair distribution step by step. We should strengthen supervision through auditing, prohibit arbitrary issuance of money and materials and expansion of the scope of subsidies, strictly control income from welfare undertakings, and resolutely check illegal income. We should continue to put institutional purchases under strict control, and strive to make this year's institutional purchases by the province notably lower than last year's. In short, we should further comprehensively adopt economic, administrative, and legal means to realistically resolve the excessive increase in consumption funds.

E. We should continue to deepen reform and expand opening to the outside world.

Reform should be carried out with the focus on the targets for economic improvement and rectification, and should emphasize the in-depth enterprise reform. We should stabilize, replenish, adjust, and improve the reform measures adopted in the past few years, proceed in an orderly way, and, step by step, strengthen supporting measures, strive for practical results, take the

road of combining rectification, reform, and development, and exert active efforts to establish an economic operational system that integrates the planned economy with market regulation.

We should persist in and improve the enterprise contract management responsibility system. Practice over the past few years proved that this system is a fairly good method for enterprise management. To stabilize the overall situation and achieve success in economic improvement and rectification, we should adhere to the principle of "making partial adjustments while stabilizing the whole" in order to maintain the continuity and stability of the contract policy. At present, we should focus on work to link the first and the second round of contracts successfully. To fix the contracted base quotas, we should conduct a scientific assessment of assets, and conscientiously strengthen management of state assets in order to ensure the steady growth of financial revenue. We should popularize Jixi City's method of classifying enterprises according to different levels of quotas and applying the contract system to encourage them to attain the quotas, and properly handle the relations between the "rigid base quotas and flexible proportions" so that both pressure and encouragement will be put on enterprises. The major form of the contract should include the responsibility for a progressive increase in the profits to be turned over to higher authorities, the responsibility for the base amount of profits to be turned over to higher authorities, and the right to share a certain portion of the above-quota amount of profits. Key backbone enterprises should continue the "two responsibilities and one link" system. In the contracts, not only should we fix the profit quotas, but we should also fix the quotas for the capacity for sustained growth and for management. We should continue the systems of collective contract or all-member mortgage contract, and apply the system of contracted reserve funds to large- and medium-size enterprises to put the risk-taking interest of enterprises under more restrictions. We should further improve the content of contracts to regulate the income of managers, and make the distribution of enterprises more visible to the public. We should gradually establish a community of interest in the enterprises operated under contract so as to boost the enthusiasm in all areas of enterprises.

We should further improve the enterprise director responsibility system. We should continue to enforce the stipulations of the "enterprise law." As legal representatives of enterprises, directors should be responsible for the production, management, and building of the spiritual civilization of enterprises, and greatly rely on the ideological and political leadership of the party committees of the enterprises to ensure that the enterprises carry out their work in line with the party's line, principles, and policies. We should rely on the working class wholeheartedly, give full play to the role of the workers' congress, strengthen the democratic management of enterprises, and arouse the production enthusiasm of the staff members and workers. Enterprise directors and

their party committee secretaries should support and coordinate with each other to operate the enterprises successfully.

We should actively conduct lateral economic cooperation and promote the rational flow of essential production factors and optimum organization. In line with the demands of the industrial policy, we should take active and reliable steps to promote enterprise mergers, cooperation among enterprise groups, and the purchase of shares; shift the idle essential production factors of enterprises without potential to enterprises with potential; and strive to adjust the structures of the production factors instead of adjusting the number. Departments concerned should formulate support measures, create conditions, and mobilize the enthusiasm of potential enterprises in implementing mergers.

In line with the state unified plan, we should also take active and reliable steps to reform the financial, banking, foreign trade, and materials supply systems, with an emphasis on promoting what is beneficial and eliminating what is harmful, improving the method of contracting financial management responsibilities to different levels, strengthening the macro-regulation and control functions and responsibilities of banks, firmly fostering the ideology of serving local economic development and enterprise production, further improving the double-track contract system in the supply of goods for export and the method of contracting the responsibilities to "three cities and one bureau," fully mobilizing the enthusiasm of enterprises, responsible economic departments, and various cities and prefectures, strengthening the implementation of the plan for allocating materials under unified distribution and local resources, and promoting the rational flow of important capital goods.

We should improve the macroeconomic regulation and control mechanism. In line with the demands of putting more emphasis on planning during the improvement and rectification period, we should establish and improve the macroeconomic regulation and control systems of provincial-level units in a planned and step-by-step manner, including the systems of organization, targets, responsibilities, and of using various means to balance the macroeconomy. Organizationally, we should establish an organizational system of macroeconomic regulation and control, focusing on developing coordinated and close cooperation with the planning, financial, credit, tax, labor, pricing, industrial, commercial, and material supply departments of the same level and of the higher and lower levels under the guidance of the provincial government. The provincial government should implement the system of holding regular meetings to discuss the major problems of economic regulation and control. Departments dealing with comprehensive affairs should take the lead in coordinating efforts to solve the problems in a unified manner. At the same time, we should fully display the functions of the supervisory, statistical, auditing, technological supervision, information, and consulting departments and strengthen the economic

and social macroeconomic supervision, guidance, and management. In the targets and responsibilities, we should share the annual major regulation and control targets to all prefectures and cities and to all departments at the same level and of the higher and lower levels, and establish the director responsibility system. In adopting various means, we should comprehensively apply administrative, economic, and legal means and unceasingly improve regulations and systems for macroeconomic regulation and control. This year, the provincial government will successively formulate methods and detailed rules in nine aspects, such as the "Plan for Continuously Carrying Out the 383 Project," the "Interim Regulations for Implementing the Industrial Policy," the "Method of Strengthening the Management of Projects Under the Mandatory Plans," the "Detailed Rules for Further Implementing the No. 3 Notice of the Provincial Government," the "Method of Giving Emphasis to Helping Key Enterprises," the "Interim Method of Supporting the Development of Local Industrial Products," the "Interim Method of Strengthening Production Management," and the "Interim Method of Managing the Economic Information Market." These should be the specific measures for strengthening macroeconomic regulation and control in the province in the near future and for achieving a comprehensive balance in this regard.

Continued efforts should be made to grasp the work in the reform experimental areas. All experimental areas should pay attention to exploring new experiences and new ways to expand the state economic sector and to display the leading role of state economic units, exert efforts to display the multi-functional role of cities, and find a way to improve the internal operational mechanism of enterprises. Generally, the policies and powers which have already been delegated to the experimental areas must be continued and stabilized. At the same time, we should appropriately make some necessary readjustments in line with the rectification requirements. All selected experimental units should shift their attention from delegating powers and relaxing policy restrictions to applying pressure on themselves and tapping potential to increase economic results in an effort to explore new ways and provide new experiences for reforms in the whole province.

We should steadily develop foreign trade and international economic and technological cooperation. Vigorous efforts should be made to organize the sources of goods for export, strive to fulfill the plan of earning \$720 million of foreign exchange through exports, accelerate the building of export commodity bases and special plants (workshops), optimize the export commodity structure, increase the proportion of industrial manufactured goods for exports, continue to expand the international market and increase the number of business partners. We should make further efforts to improve environmental investment, strengthen the management and support of the existing joint ventures and foreign-funded enterprises, and strive to bring in more funds and

technology from foreign countries. It is necessary to further develop border trade with the Soviet Union and local trade with East European countries, strengthen the study of policy on developing trade with the Soviet Union, and expand the scope of economic and technological cooperation with the Soviet Union and East European countries. We should lay emphasis on developing cooperation in the export of technology, the contracted projects, the export of labor services, the three forms of import processing, and barter trade. While making continued efforts to display the enthusiasm of border trade companies, we should actively develop economic and technological cooperation with the government and large enterprises, accelerate the building of outlets, and strengthen the goods delivery capacity. We should continue to develop the tourist industry, and strive to successfully carry out the economic and trade symposium with the Soviet Union and the East European countries to be held in our province in June.

F. We should attach strategic importance to science, technology, and education and actively promote all social undertakings.

In economic and social modernization, we must consider education as the foundation and science and technology as the leading factors. Without a developed education system and advanced science and technology, our nation would not be prosperous and our country would not be rich and strong. In order to realize the strategic objectives for 1990 and for the next 10 years, we should continue to give priority to developing education and scientific and technological undertakings; consider education, science, and technology as our focus; actively advance the development of various other social undertakings; simultaneously grasp the building of material and spiritual civilizations; and develop the economic, social, scientific, and technological undertakings in a coordinated manner.

The provincial party committee has adopted and transmitted the "implementation plan" for invigorating the province with scientific and technological achievements. All localities, and various departments, enterprises, and establishments should formulate their own plans in line with this implementation plan, divide the tasks among the people, make quarterly and monthly plans for the progress, and put them into practice in a down-to-earth manner. Scientific and technological departments should carry out their work in line with the principle of "invigorating the province with scientific and technological achievements." This year, we should give emphasis to organizing the implementation of the principle of invigorating agriculture with scientific and technological achievements and the development of new products. At the same time, we should study major topics and research projects that affect the whole province's economic and social development, further promote reform of the scientific research system, strengthen the building of the ranks of scientific and technical personnel, and accumulate strength for regenerating science, technology, and the economy during the 1990's.

In educational work, we should comprehensively implement the party's educational principle, adhere to the socialist orientation in running schools, pay attention to and strengthen the ideological and political work of schools, stress students' comprehensive development, and train a generation of new persons with ideals, ethics, culture, and a sense of discipline. We should strive to raise the teaching quality of all kinds of schools at all levels and make education better serve economic construction and social development. We should strengthen elementary education, continue to carry out the nine-year compulsory education in a down-to-earth manner, strive to develop preschool education and social education and continue to deepen educational reform focusing on comprehensively reforming the rural education. It is necessary to readjust the set-up of courses in institutions of higher learning, improve the cadre management of the educational system, and conduct specialized follow-up education. We should actively develop rural vocational education and technical training and train secondary- and elementary-level specialized technical personnel for invigorating agriculture with scientific and technological achievements. Continued efforts should be made to eliminate illiteracy and semi-illiteracy among youths and middle-aged persons in the rural areas. We should reform the enrollment system and the job-assignment system for graduates of colleges and secondary specialized schools, expand the proportion of students to be trained under contracts with employers in the rural areas, clear the channel for sending specialized personnel to the rural areas, strengthen the building of the ranks of teachers, raise the political and professional levels of teachers, and optimize the structure of the ranks of teachers. We should continue to adjust the geographical distribution of teachers training institutes, and improve the education system for teachers training. We should strive to create conditions for raising the wages of teachers, with the emphasis on solving the problem of overdue wages to teachers of community-run schools. We should continue to raise education funds through various channels, further improve teaching conditions, complete repair of first-degree unsafe school buildings within this year, and make 20 percent of the province's primary schools reach the prescribed standards for classrooms. We should resolutely ban and correct the use of education funds for other purposes, and the arbitrary opening of classes and collection of fees, and strive to raise efficiency in the use of education funds. We should hold large-scale and in-depth discussions on the strategic importance of education, enhance the understanding of the development of education among the people throughout the province and the entire society, and further lay a solid foundation for developing education.

In culture and art work, we should adhere to the orientation of making culture and art serve the people and socialism, continue the principle of "letting a hundred flowers blossom and a hundred schools of thought contend," develop the outstanding cultural traditions of the Chinese nation, make the creation and production of art works flourish, invigorate the cultural life of society, and

occupy the cultural front with socialist ideas. We should attach importance to art education, and accelerate the training of talented artists. We should manage the cultural market still better to gradually institutionalize and standardize the work to "wipe out pornography" and rectify the cultural market. We should strengthen the protection of cultural relics, and develop the role of revolutionary and historical relics in social education. We should organize all the public libraries across the province to gear their work to the need to develop the province through science and technology, store and use local documents well, and raise the vocational level and social benefit of libraries.

Press, publication, radio and television departments should adhere to the party spirit and principles when doing their work, greatly strengthen the publicity and reports on positive examples, further improve their propaganda quality, guide the people to go all out and work in unity, and provide the public opinion favorable to economic improvement and rectification.

We should do our best to participate in and hold the seventh national winter games and, taking it as a turning point, promote the province's work of physical culture and sports. We should improve the quality of athletes and coaches. We should also launch mass sports activities to improve the health of the people throughout the province.

We should conscientiously implement the "Heilongjiang Provincial Provisional Regulations on Building Advanced Units," and launch extensive mass activities to build the spiritual civilization emphasizing establishing advanced units. We should achieve progress in the professional ethics of various trades and professions.

In public health, we should continue the principle of emphasizing prevention, and particularly strengthen the public health of rural areas. We should continue to rectify the health care sector and the order and charges for medical care, straighten out ethics and styles in medical care, improve service, and raise the quality of medical care. We should launch extensive patriotic public health campaigns, popularize primary public health activities in an all-around manner, do a better job in the prevention and treatment of contagious, endemic, and frequently-occurring diseases, strengthen grass-roots health organizations, develop traditional Chinese medicines and Chinese medicinal herbs, raise the province's medical care and medical science levels, and improve the people's health.

We should conscientiously implement the "Heilongjiang Provincial Family Planning Regulations" and other rules and policies, and particularly achieve success in the family planning of rural, remote, and backward areas, and the family planning of the transient population. We should enforce the target management system, make every level hold the assigned responsibility for family planning, and keep this year's natural population growth within 13.4 per 1,000. We should strengthen the work for

healthy births and sound upbringing, and improve the quality of the population. We should conscientiously do a good job in the fourth national census in line with the state's unified arrangements.

Starting with urgent needs in production and the people's problems in need of urgent solution, we should successfully build city infrastructural facilities and small cities in line with our capacity. We should further strengthen management of urban and rural construction focusing on city planning.

We should conscientiously implement the various regulations and policies formulated by the state and the province governing protection of the resources of cultivated land and the maintenance of the ecological balance. We should further improve the land management structure and land utilization systems, manage the province's land resources in an all-around, unified, and scientific way according to laws, and resolutely check and correct the instances of arbitrary land occupation. We should strive to prevent the river system of Songhua Jiang from becoming polluted, and strive to improve the quality of the centralized sources of drinking water. We should make efforts to improve the quality of the environment of large and medium-sized cities, and strictly control and eliminate new sources of pollution. We should establish and improve natural reserve areas of various kinds at various levels, and should strengthen management of these areas according to law.

We should exert ourselves in developing social welfare undertakings; positively open insurance programs of various kinds; and continue to aid the poverty-stricken areas, send relief to disaster areas, and attend to the social relief work in order to promote social stability.

We should make continued efforts to strengthen the work related to foreign affairs; further consolidate and develop the patriotic united front; actually improve and strengthen the work related to nationalities, religion, and Overseas Chinese affairs; hold high socialist and patriotic banners; mobilize the initiative of all fields; and unite our countrymen residing abroad and our compatriots in Hong Kong, Macao, and Taiwan to put forth their strength or offer advice for promoting the reunification of the motherland and the vitalization of Heilongjiang.

We should penetratingly attend to the work of supporting the Army and giving preferential treatment to family members of revolutionary martyrs and servicemen; continue to launch Army-civilian joint activity; profoundly conduct education on national defense; enhance the building of the national defense reserve strength; appropriately settle down demobilized soldiers and the soldiers transferred to civilian work; and further strengthen the unity between the Army and the government and between the Army and the civilians.

G. We should make comprehensive effort to improve and straighten out public order.

To improve the economic environment, rectify the economic order, and deepen the reform, we need a stable social environment. The provincial government has brought the improvement and rectification of public order into line with the overall planning of economic rectification and in-depth reform; has formulated the "overall plan for the comprehensive improvement of social order"; and has mobilized the whole province to make comprehensive efforts to straighten out social order. With focus on large and medium-sized cities and on their suburban areas, we should organize forces throughout the whole society to make concerted efforts to deal blows to and prevent social crimes, with emphasis on prevention, and to fight a general war to deal with social crimes by looking into both their roots and symptoms. At the same time, we should strengthen the building of the ranks of public security cadres, should pay attention to the work at the grass-roots level, and should lay a good foundation for the work. After one year's effort, we should have built ours into one of the provinces in the country with relatively good social order.

We should conscientiously implement the spirit that "whoever takes charge of the work should assume responsibility for it," should establish the quota management system at various levels, should improve the effectiveness of preventive measures, and should establish as quickly as possible a well-structured and wide-ranging prevention mechanism under which all levels of departments are connected with each other, all fields closely cooperate with each other, and all kinds of strength work in coordination. We should persist in combining the effort inside public security departments with that in outside public security departments, combining the effort of professional public security cadres with that of the masses, and combining the prevention by human power with the prevention by technology, so as to improve the efficacy of the overall prevention.

We should deal strict blows to serious criminal offenses and economic crimes, and should organize special forces to deal blows to conspicuous problems in a timely and effective manner. We should firmly implement the principle of handling cases according to law. We must strictly abide by laws, enforce laws to the letter, and impose punishment on law breakers. Those who are guilty of serious criminal and economic crimes must be dealt with as severely and promptly as possible. At the moment, special attention should be paid to dealing with those crimes which are most bitterly hated by the masses and which produce the worst impression among the masses, such as assault, rape, theft, and hooliganism, in an effort to effect an obvious turn for the better in public security and social order as quickly as possible.

We should further straighten out the public security and social order of public places such as cultural and recreational centers, light industrial and agricultural products markets, railway and bus stations, and wharves. We should strengthen control over and the management of the transient population, and should deal resolute blows

to those criminals who disturb the public order and sabotage social security. We should also rectify the order within organs, plants, enterprises, and institutions. We should strengthen the management of public order in border areas, and maintain a normal order in production and livelihood of these areas.

We should mobilize all social forces to continuously wipe out ugly phenomena in society and purify the general mood of society. We should place the focus of "wiping out pornography" on eliminating "sources of pornography." It is necessary to repeatedly encircle and suppress such "six vices" as prostitution; visits to whores; the manufacturing, selling, and spreading of obscene articles; the abduction of women and children; the use and trafficking of narcotics; gambling parties; and the use of feudal superstition to swindle money out of the people.

It is necessary to strengthen and transform criminals and misled juveniles. In line with the principle of "transformation first and production second," we should improve the quality of transforming the criminals in custody. We should do a good job in organizing and reeducating those who are released upon the completion of the reform-through-labor and education-through-labor sentences, timely and patiently help educate misled juveniles, and transform them into useful persons in society.

3. We Should Be Inspired With Enthusiasm, Work With One Heart and Soul, and Ensure the Realization of the Targets for Improving the Economic Environment, Rectifying the Economic Order, and Deepening Reforms

The 1990 tasks for improving the economic environment, rectifying the economic order, and deepening reforms are extremely complicated and arduous. Scientifically understanding the situation is an issue of extreme importance at present. At the time of accurately estimating difficulties, we should understand the favorable conditions for overcoming difficulties, have firm confidence, and be inspired with enthusiasm. The difficulties ahead of us are ones cropping up in the course of advance and caused through making readjustments in order to make rapid improvements in the economic strength and the people's livelihood. The current situation where the industrial growth rate drops and the market slumps generally does not indicate recession. In reality, there are increases in some aspects although the industrial growth rate has dropped, and the market in some aspects is brisk although some products are unmarketable. All this conforms, on the whole, to the requirements for structural optimization and provides a policy and market guidance for readjusting the industrial structure and the product mix. Our province is a key agricultural base of our country as well as a large province in terms of its basic industries and the export of raw materials. There are comparatively more large and medium-sized enterprises. So, a large portion of the mandatory plan is assigned by the state to our province. Our province has great potential for stabilizing the

economy. At the time of making more contributions to the overall situation, our province has greater possibilities to gain benefits from improving the macroeconomic readjustment and control and optimizing the economic structure. The aforementioned situation indicates that the provincial situation this year is generally good; and there are both prospects and hardships, and both advantages and difficulties. Only when we constantly rely on the leadership of the party, the masses, socialist democracy and legal system, and science and technology to carry out our work will we certainly be able to realize the targets for improving the economic environment, rectifying the economic order, and deepening reforms as defined by the party Central Committee and the provincial party committee; and to ensure satisfactory fulfillment of the work tasks approved at the provincial People's Congress.

A. We should unswervingly rely on the leadership of the party.

The CPC truly represents the fundamental interests of the state and the nation as well as is the core of leadership to carry out the socialist revolution and construction undertakings. Relying on the leadership of the party is the fundamental guarantee for fulfilling the tasks of improving the economic environment, rectifying the economic order, and deepening reforms.

To rely on the leadership of the party, first of all, we should politically act in unison with the party Central Committee. Through the long-term revolutionary and construction practices, particularly, through the test of the political storm that took place at the turn of last spring and summer, our party has formed the third generation of the leadership collective with Comrade Jiang Zemin as its nucleus. This is a political guarantee for ceaselessly consolidating and perfecting the socialist system and continuously promoting the progress of socialist modernization. So, we should closely rally around the party Central Committee with Comrade Jiang Zemin as its nucleus, constantly uphold the party's basic line of "one focus and two basic points," strengthen theoretical study, pay particular attention to studying Marxist philosophy, further upgrade and strengthen our awareness of acting in unison with the party Central Committee, conscientiously implement the decision on further improving the economic environment, rectifying the economic order, and deepening reforms as approved at the fifth plenary session of the 13th party Central Committee, unswervingly oppose bourgeois liberalization, ceaselessly eliminate the influence of the liberalization thinking, take the overall situation into consideration, enforce orders and prohibitions, and carry out, with one heart and soul, the government work focusing on the central link of improving the economic environment and rectifying the economic order that has a bearing on the overall situation.

We should rely on the party's leadership and consciously place government work under the leadership of the party

committee. The government and all its subordinate departments should clearly understand that the party's leadership is not only political leadership but also a comprehensive leadership of all spheres, all fronts, and various undertakings. Starting with the provincial government, all government leading cadres and functionaries should enhance their sense of the party organization and discipline. Regarding the major policy decisions and measures which have a bearing on stabilizing the overall situation of the whole province, the provincial government should promptly and comprehensively ask for instructions from the provincial party committee, report to it, and put them into practice after obtaining approval from the provincial party committee. The provincial government should promptly translate the principles, policies, and work plans formulated by the provincial party committee into effective measures for implementation and should conscientiously place the whole implementation process under the supervision and checkup of the provincial party committee.

As far as this year's work is concerned, the provincial government should exert all-out efforts to actively and creatively grasp it in line with tasks and objectives set by the fourth plenary session of the sixth provincial party committee. This year, the provincial government has conducted and prepared to conduct investigation and research on more than 10 crucial issues affecting our province's sustained, steady, and coordinated economic development, such as the issue on maintaining close ties with the masses, the issue on the functions of the government fund management groups at all levels, the issue of coal supplies, the issue of displaying the role of state and cooperative commercial enterprises as the main channels, the issue of rural education and educational reform, the issue of animal husbandry, and the issue of further improving the "383" project. These investigations and studies should be taken charge of and organized by the provincial governor and vice governors. They should produce the investigation and study results within this year, and strive to translate the results into government actions. All provincial-level departments and bureaus should have their leaders assume leadership, and conduct investigations and studies of the crucial problems in their respective departments so as to make all our work become more coordinated with reality and give better results and to guarantee the comprehensive implementation of the decisions given by the provincial party committee.

To rely on the party's leadership, we should also realistically strengthen the building of party organizations of government organs, fully display their sanctioning and supervisory role and the vanguard and exemplary role of party members, and guarantee the implementation of the party's line, principles, and policies.

B. We should firmly rely on the masses.

The masses are the motivating forces for the development of history and the masters of our country. Whether we can achieve success in improvement, rectification,

and deepening of reform or not hinges on the people's understanding, support, and practical work. The provincial government and all its functionaries should enhance their ideology that they are public servants, never forget for a moment that the masses of people are the masters of the country, consciously do everything for the sake of the people from start to finish and rely on them while doing everything.

We should maintain flesh-and-blood ties with the masses. Our government is the people's government. The government work should take root among the masses. The government should think about what the masses are thinking about and do what they need, maintain and promote the fine work style of "getting the opinions of the masses and referring them back to the masses." The provincial government departments should establish the system of urging cadres to go to the rural areas and plants to contract projects in selected villages and plants, organize government office cadres to go deeply to the grass roots, particularly to the disaster areas, poverty-stricken areas, and enterprises with great difficulties, in a planned manner. While sending cadres to the grass roots, leaders should serve as heads of the teams. They should use simple means of transport and have fewer people in their company and must be honest and self-disciplined. They must be easily approachable, earnestly learn from the masses and carefully listen to their opinions, suggestions, and criticism. Regarding problems raised by the grass roots which can be solved on the spot, they must solve them immediately. By no means should they shift the responsibilities onto others under any pretext. Regarding problems which cannot be solved on the spot, they must conscientiously discuss with departments concerned and must give the masses specific answers promptly. Efforts should be made to establish and improve the systems of having leading cadres make direct contact with the masses of various social circles, such as the system of setting up liaison centers of leading cadres, the system of carrying out democratic consultation, the system of receiving petition visits from the people and dealing with letters from the masses, and the system of joining in labor work in a frequent manner. In 1990 organs under the provincial people's government plan to extensively and deeply launch a socialist emulation drive of "having grass-roots level units be satisfied with the work" in line with the central tasks of tightening the tie with the masses, improving the organs' work style, and upgrading work efficiency. By enforcing these effective measures and conducting the work in a down-to-earth manner, efforts should be made to enhance the tie between the government and the mass and to enable both governmental leading personnel and the masses to exchange their thinking, to promote their mutual understanding, and to help each other forward.

We will make an all-out effort to unswervingly do practical deeds for the people. Ensuring the people's right to live and work in peace and contentment represents the first duty of the government. The provincial

people's government will regard as an important working principle the practice of "doing what the people have eagerly desired and of eliminating what the people have bitterly and deeply detested. It will pay attention and make great efforts at all times to deal with the problems for which the people have shown the greatest concern. Governments at all levels should pay close attention to the living problems encountered by the staff members and workers who have been laid off from the suspended or semi-suspended enterprises and should open more employment avenues to adequately make job arrangements for jobless personnel. They should enhance the work of organizing jobless personnel who have been laid off from suspended enterprises, strengthen the management over them, conduct ideological and political work among them, and adopt every possible way and means to deal with their living problems. A good job should be continuously done in helping the poor and carrying out disaster relief so as to realistically help the masses in the areas of minority nationalities and the disaster-stricken areas overcome their production and living difficulties. Efforts should be made to vigorously study or define the standard of poverty-ridden households so as to give necessary assistance to those who are living under this standard through providing for and helping themselves by engaging in production, conducting social relief, and giving subsidies to remedy their difficult conditions in order to enable them to maintain a basic living level. We should deal with in a planned manner the problems encountered by the border or remote villages with regard to having no telephone lines or highways and suffering from a shortage of water and should further improve the method of having the provincial level departments and bureaus sign contracts with the government on helping poor counties get rid of their difficulties so as to vigorously enhance the county's practical economic strength.

We will further enhance the work of building administrative honesty and industriousness. Although governments have scored some achievements in building administrative honesty, such achievements are still far from the demand and desire of the people and from the image which deserves to be possessed by the government. Therefore, enhancing the work of building administrative honesty still represents a most important task of governmental work. Without rooting out the corrupt, the people's feeling will not be eased and the whole situation cannot be stabilized. Governments at all levels will continue to enforce the responsibility system of having leaders take personal charge of building administrative honesty. While doing a good job in checking the housing projects by starting well and ending well, we should emphatically deal well with the problems about which the people have lodged strong complaints with regard to seeking personal gain by taking advantage of power, extorting money by power abuse, indulging in embezzlements, and accepting bribes; and should implement in an overall way the decision of the provincial party committee on doing the nine good deeds for which the people have shown concern. Departments in practical power under the government should strictly and accurately

enforce the law and discipline; and, while further opening their official affairs to the public and strengthening efforts to make their official work visible to the public, should emphatically improve their internal managerial systems, carry out correct breakdown of their power and overlapping management, have their duties restrict their right, conduct internal supervision, and gradually establish the strict mechanism of restriction so as to enable the problems which have not been opened to the public and over which it has not been convenient for the people to conduct supervision to be prevented from becoming worse. Efforts should be made to streamline the administration and to bring the size of administrative bodies under control. The personnel of the provincial people's government should take personal charge of building administrative honesty and take the lead in setting forth strict demands for themselves, performing their official duties honestly, working selflessly for the public interest, and waging an arduous struggle. Leading cadres in governments at all levels and working personnel in organs should be honest in self-restriction, work industriously for the people, be loyal to their duties, and should do a good job in conducting their work in a down-to-earth manner realistically according to the demands set forth by the "(trial) regulations" of the provincial people's government with regard to upgrading the work efficiency of its subordinate organs.

To closely rely on the masses, we must also bring the political strong points into play and do a good job in conducting the ideological and political work among the masses. By launching the activities of learning from Daqing and Lei Feng and from the heroic and model personages and advanced collectives throughout the province, we should apply the influence exerted by the models to arousing or mobilizing the people across the province to unite as one; to wage an arduous struggle; and to fulfill the various tasks of improving the environment, rectifying order, and deepening the reform drive.

C. We should take the initiative in relying on the socialist democracy and legal system.

Developing socialist democracy and improving the socialist legal system constitute an important task and target for consolidating and improving the socialist system, an important indicator of socialist modernization, and an important guarantee for maintaining political, economic, and social stability, for smoothly fulfilling the tasks for economic improvement and rectification, and for overcoming temporary difficulties.

In relying on democracy and the legal system, the most important work for a government is to take the initiative in subjecting its work to the supervision of the People's Congress and its Standing Committee. The People's Congress system is the basic political system of our country, and the basic form for the people to exercise their power. The government's performance of its work under the supervision of the People's Congress and its Standing Committee is the demand for legalizing the system of the government. The provincial government

should take the initiative in strengthening its sense of respect for the legal system, and conscientiously enforce the resolutions and regulations adopted and promulgated by the provincial People's Congress and its Standing Committee. It should actively report its work to the provincial People's Congress and its Standing Committee, accept the criticism and inquiries of people's deputies at all times, earnestly handle their proposals and suggestions, and subject itself and its subordinate departments to the regular inspections by people's deputies. The provincial government should conscientiously and persistently enforce all relevant laws and regulations.

In relying on democracy and the legal system, the government should further strengthen its consultation and cooperation with the CPPCC, democratic parties and personages from various circles. The CPPCC is an important organization and place for various parties, mass organizations, and personages from various circles to cooperate and participate in and discuss government affairs. The provincial government should strengthen its ties with the various quarters of society through the CPPCC. When implementing the major principles of the state and deciding on important local issues and major matters concerning the people's livelihood, it should strengthen consultations with the CPPCC, the various parties and mass organizations, and personages from various circles, and encourage them to exercise supervision over and give criticism and suggestions on government work. Relevant departments of the government should establish ties with the CPPCC and its relevant specialized committees, and give play to their role in policymaking and consultation. When conducting investigations on major issues or cases, the supervision, auditing, industrial, and commercial administrative, and taxation departments under the government should invite CPPCC members, democratic parties, and personages without party affiliation to participate, and fully give heed to their opinions. The government and its relevant departments should invite members of democratic parties or personages without party affiliation to serve as part-time or full-time advisers, or to join their consulting organs. They should respect the responsibility and authority of the members of democratic parties and personages without party affiliation who assume leading posts in the government and their subordinate departments, and fully develop their role.

Meanwhile, we should also attach importance to trade unions, the CYL, women's federations, and science and technology associations, which are democratic channels to establish ties with the people of various circles, and strengthen our communication and contacts with the various circles of society. We should make full use of these channels to conduct propaganda among the masses, and to mobilize and organize them, and give heed to the opinions, demands, and suggestions of the various circles of society on a regular basis so that the work of the government can be understood and supported by the various quarters of society.

In relying on democracy and the legal system, the government should further carry out its work according to law. The people's government should not only standardize the behavior of the entire society according to law but also bring the behavior of its members, particularly leading members, under the restriction of law, and enable them to become models for the entire society to follow. All the members of the provincial government should take the lead in studying laws, truly understand laws, take the initiative in abiding by laws, conscientiously perform their functions according to laws, and never use their words to replace laws or use their power to suppress laws. The provincial government should conscientiously organize the enforcement of the "PRC Administrative Litigation Law." We should strive to promulgate as soon as possible the "Heilongjiang Provincial Methods for Law-Enforcement and Supervision of Administrative Organs" which are being worked out. Through legal procedures, we should gradually fix, in the form of regulations, rules, or systems, those experiences and methods proven feasible by the practice of economic rectification, in-depth reform, and economic construction as well as those stands of the government for solving the fundamental problems which affect the province's economy and society, so as to provide standards for people's behavior, improve the government's expertise in handling administrative affairs according to laws, and serve the people in an even better way.

To depend on democracy and the legal system, we must strengthen the building of the political power at the grass-roots level. The organizations of the political power at the grass-roots level are the foundation of the people's democratic dictatorship, are the places where the various items of government work are implemented, are the bridge linking the government with the masses, and are also an important link to the manage and stabilize the society. We should profoundly implement the "PRC's Organic Law on Villagers' Committees (for trial implementation)" and the "PRC's Organic Law on Urban Residents' Committees"; and should amplify organizations, improve systems, and strengthen functions of villagers' and urban residents' committees, in order to orient the building of such committees onto the orbit of the legal system. We should conscientiously build democratic politics at the grass-roots level in order to guarantee the people's right of being masters of the country. We should constantly strengthen the whole people's consciousness of democracy and involvement in politics, should strive to improve their ability for involving themselves in political affairs and discussing political affairs, and should gradually attain the goal that the affairs of the masses are handled by the masses themselves. We should give full play to the functions of villagers and urban residents' committees in conducting self-management, self-education, and self-service so as to make many social problems solved at the grass roots and eliminate instable factors at the grass roots.

To depend on democracy and the legal system, it is also necessary to conduct a profound propaganda and education on socialist democracy and the legal system among

all people of the province. Judicial and administrative, press and publishing, and cultural and educational departments should closely cooperate with one another to enhance the sense of democracy and the legal system among the people throughout the province, the vast number of young people in particular. We should enable the people to really understand the essence and meaning of socialist democracy and legal system, and to clearly understand the differences between the socialist democracy and legal system and the capitalist democracy and legal system. We should strictly abide by the principles stipulated by the Constitution, correctly exercise various rights, consciously perform our duties, and set an example in observing laws and disciplines, so that we can build our democracy and legal system on an extensive foundation of the masses.

D. We should actually depend on science and technology.

Science and technology are revolutionary forces which play a promotion role in history. To fulfill the task of improving the economic environment, rectifying the economic order, and deepening reform, a historical task that has a bearing on the prosperity of the country, we cannot divorce from scientific and technological progress. The province's "programs for invigorating the province through science and technology," formally approved by the provincial party committee not long ago, have provided definite goals and specific measures for us to depend on science and technology to carry out economic rectification and in-depth reform. Proceeding from the understanding that the continuity of economic development is identical to economic development at a certain stage, giving consideration to the internal demand of economic rectification, we can find that the "programs for invigorating the province through science and technology," approved by the provincial party committee are completely suitable for the objective reality of the province at present. The provincial government should be meticulous in organizing the implementation of the programs.

In a broad sense, science and technology embraces scientific policymaking, scientific management, scientific and technological progress, and scientific and technological education. By depending on science and technology, we mean, in setting priority of various essential factors of economic development, firmly and unswervingly putting science and technology in a most important place, and then use science and technology to bring along and coordinate other essential factors of economic development. In the field of economic and social development, we mean firmly shifting the orientation of investment and priorities in arranging key construction projects to the orbit of depending on scientific and technological progress with a view to orienting the province's economy to the path of expanding reproduction with a focus on tapping potential. In the field of leadership methods and leadership structure, we mean speeding up the pace of making policies scientifically, democratically, and systematically, and establishing a

leadership structure which ensures the integration of the economy with science and technology so as to make all departments of the government operate in coordination under a unified goal. Under the basic condition that the economy, and science and technology are developed, we should place our emphasis on developing education, exert great efforts to train technical personnel in various specialties and at various levels, and give full play to their roles. This year, we should promote various work for the project of "developing the province through science and technology" across the board in line with the short-term requirements as arranged in our province's "plan for implementing the 'Decision on Further Improving the Economic Environment, Rectifying the Economic Order, and Deepening Reform' made at the fifth plenary session of the 13th party Central Committee" and its "plan for developing the province through science and technology," by focusing on the endeavor of improvement, rectification, and in-depth reform, and by emphasizing "development of agriculture through science and technology."

With regard to strengthening organizational leadership, governments at various levels should include the project of "developing the province through science and technology" in the agenda of their major leadership, and should serve as command centers for reliance on science and technology. Under the leadership of party committees and governments, science and technology commissions and planning commissions should divide the work and closely cooperate with each other in keeping the responsibility for promoting the scientific and technological progress of their own localities and for organization and coordination. The general targets and specific tasks of the project of "developing the province through science and technology" should be divided and assigned to grass-roots levels, and a strict target responsibility system should be instituted. Supervision and inspection should be strengthened so that the problems cropping up in the process of the implementation can be studied and solved in a timely manner. The provincial government should also start studies concerning establishment of a mechanism for facilitating the project of "developing the province through science and technology."

With regard to policy measures, the major work is to establish a system of guarantee by means of policies. After carrying out several policy measures in the past two years, our province will also formulate several policy regulations this year to facilitate the project of "developing the province through science and technology," and establish a policy guarantee system to promote this project by adjusting the investment pattern, optimizing the credit pattern, establishing a financial sustaining system and a materials guarantee system, inspiring the enthusiasm of scientific and technical personnel, and encouraging rural areas and enterprises to absorb advanced science and technology. After this, we should

gradually strengthen scientific and technological legislation to provide a guarantee by means of systems, policies, and laws for implementation of the project of "developing the province through science and technology."

With regard to the content of the project, we should take economic improvement and rectification as the central task, which has a bearing on the entire situation, and concentrate efforts on "developing agriculture through science and technology," and widely applying the mature and advanced technology which can yield notable results in improving product quality and reducing material consumption, tapping potential and increasing economic benefits, increasing production and income and reducing expenses, and developing new products. Improving the quality of leading cadres of governments at various levels, and their ability to make policies in a scientific manner is an important part of the project of "developing the province through science and technology." The provincial government will formulate systems for scientific and democratic policymaking as soon as possible, and gradually channel government work to the track of reliance on science and technology.

Science and technology are and will be the decisive factors for development of productive forces. As long as the people at all levels and in all fields of the province firmly embrace the idea of scientific and technological progress, establish a system of relying on scientific and technological progress as soon as possible, and rely on science and technology in a down-to-earth manner, we will win new successes continuously in our undertakings.

Deputies:

The 1990's will be an important period with a special significance in the history of the development of our republic. Following the direction indicated by the party Central Committee and under the correct leadership of the provincial party committee, let us raise our spirits, unite as one, work vigorously and diligently to make the country prosperous, overcome the numerous difficulties on the road of advancement, fulfill the various tasks for 1990 in an outstanding manner, and make new contributions to stabilizing the overall situation of the province, smoothly promoting the endeavor of improvement, rectification, and in-depth reform, and achieving a long period of sustained, stable, and coordinated economic and social development of our province.

Heilongjiang 1989 Economic Communique Issued

SK1004150190 Harbin HEILONGJIANG RIBAO
in Chinese 27 Feb 90 p 2

[Statistics Communique of Heilongjiang Provincial Social-Economic Development in 1989—issued by the provincial statistics bureau]

[Text] Under the leadership of the provincial party committee and the provincial People's Government, the people throughout the province earnestly implemented

the principle of improving the economic environment, rectifying economic order, and deepening the reform drive in 1989; carried out in an all-round way the "383 projects"; and scored marked achievements in improving the environment, rectifying order, and deepening the reform drive. Thus, the excessive social demands have been brought under control, the social effective supply has increased, the contradictions among social demands have been gradually relieved, the trend of price hikes has been slowed down, the economic order and environment have been somewhat improved, and the national economy as a whole is developing along a good track. The province has also scored new achievements in the undertakings of science and technology, culture and education, public health, as well as of physical culture and sports. According to a preliminary survey and statistics, the gross national product for the year reached 55.3 billion yuan, a 5.8 percent increase over 1988; the national income was 48 billion yuan, a four percent increase over 1988; and the total industrial and agricultural output value reached 96.107 billion yuan, a 4.2 percent increase over 1988. Major problems cropping up in economic activities are as follows: The total unbalanced volume accumulated over the past many years, the unbalanced structure, and the low economic results were still prominent. Inevitably there were new problems, such as the clogged circulation which had cropped up along with the macro-curtailed, the insufficient operation of enterprises, and the gradual increase of employment pressure. The tasks of improving the economic environment and rectifying economic order were still quite arduous.

I. Agriculture

Our province achieved new developments in the rural economy in 1989. The total product of the rural society reached 27.548 billion yuan, a 2.6 percent increase over 1988. Of this increase, the output value of rural industries, construction, transportation, and commerce reached 5.9 percent. Despite the rare spring and summer drought as well as the serious natural disasters during the year, the province still reaped a better agricultural harvest thanks to adopting various measures for supporting agriculture, increasing input in agriculture, carrying out the "Heilong trophy" emulation drive with the central task of building water conservancy works, and enforcing the "bumper harvest plan" by popularizing the new agricultural technologies which had greatly relieved the extent of sufferings. The total agricultural output value reached 15.69 billion yuan, a 2.2 percent decrease over 1988. Of this decrease, that in planting production reached 6 percent. The output value of forestry showed a 0.2 percent increase over 1988; that of animal husbandry, a 15.3 percent increase over 1988; that of sideline production, a 0.8 percent increase over 1988; and that of fishery, a 7.4 percent increase over 1988.

The total sowed acreage of grain crops in 1989 reached 108,926 million mu, a 5.631 million mu increase over 1988. The total grain output reached 16.689 million tons, a 4.7 percent decrease over 1988. The output of

cash crops, flue-cured tobacco, and oil-bearing seeds increased; and that of flax and beet declined due to the reduction of sowed acreage of farmland and the occurrence of natural disasters.

The yield of major agricultural products was as follows:

	1989 (tons)	Increase over 1988
Grain	16.689 million	-4.7
Of it:		
Rice	2.317 million	-4.8
Wheat	3.63 million	46.7
Corn	6.152 million	-10.0
Soybean	2.918 million	-24.1
Tubers	734,000	3.4
Oil-Bearing Seeds	131,000	0.8
Flax	223,000	-37.2
Beet	3.975 million	-28.4
Flue-Cured Tobacco	214,000	72.6
Vegetables	5.263 million	no change

The province also achieved new progress in forestry and in the work of planting trees. The annual acreage of afforestation reached 2.994 million mu and the forest fire prevention work was enhanced.

Animal husbandry continued to develop. The number of large animals, pigs, cattle, sheep and poultry on hand continued to increase at the end of the year, and the output of major animal byproducts showed an increase.

The output of major animal byproducts and heads of livestock were as follows:

	1989	percentage increase over 1988
Pork, beef and mutton	401,000 tons	8.2
Milk	871,000 tons	6.5
Sheep Wool	8,502.9 tons	13.8
Eggs	244,000 tons	2.5
Pigs slaughtered	3.505 million	4.7
Large animals at year's end	3.241 million	1.9
of which:		
Cows	492,000	4.7
Pigs at year's end	5.487 million	12.7
Sheep at year's end	2.643 million	11.7

Fishery production showed stable growth. The annual output of aquatic products totaled 139,000 tons, an increase of 13.9 percent over the preceding year. Of the total, the output of cultivated products came to 91,000 tons, an increase of 9.6 percent.

Conditions for agricultural production continued to improve. By the end of the year, the aggregate capacity of

the province's farm machinery reached 1.63 billion watts, an increase of 5.2 percent over the preceding year; the number of large and medium-sized tractors 92,000, an increase of 1.8 percent; the number of small and hand tractors 357,000, an increase of 12.6 percent; the capacity of irrigation and drainage equipment for farm use 1.09 billion watts, an increase of 18.5 percent; the number of power-driven threshers 67,000, an increase of 11.7 percent; the number of water pumps for farm use 95,000, an increase of 39.7 percent; the amount of chemical fertilizer applied (converted to 100 percent efficiency) 661,000 tons, an increase of 21.5 percent, and the consumption of electricity in rural areas 1.64 billion kilowatt hours, an increase of 11.6 percent.

However, the position of agriculture as the foundation was still not stable, its capacity to resist natural calamities remained rather weak, and the service system for agriculture had yet to be improved.

2. Industry

In 1989, industrial departments throughout the province overcame their difficulties in funds, energy resources, raw materials, communication and transportation, and maintained a fairly large growth rate in industrial production. The annual industrial output value was 80.498 billion yuan, 6.2 percent greater in the preceding year. If industries run by villages and units below the village level were excluded, the figure would be 76.423 billion yuan, a 5.7-percent increase. Of the total industrial output value, that of the state-owned sector went up by 4.8 percent, and that of the collective sector 9.0 percent. Product mix improved to some extent. The output value of light industry came to 30.971 billion yuan, up by 8.4 percent from the preceding year; and that of heavy industry 49.527 billion yuan, up 4.3 percent. The ratio of light industry to heavy industry changed from 35.3 to 64.7 in the preceding year to 38.5 to 61.5. The production of electric and machinery products, in which investment was curtailed, and consumer durables, which were unsalable, was reduced, and that of readily marketable light industrial goods, and such basic industrial products as energy resources and raw materials was increased. New varieties and patterns increased. A total of 1,168 new products were developed in the year. Of the 44 major industrial products included in the annual plan for assessment, the output quotas of 25 of them were fulfilled or overfulfilled.

The output of major industrial products was as follows:

	1989	percentage increase over 1988
Cloth	264 million meters	-3.4
Chemical fiber	76,700 tons	53.7
Woolen fabrics	6,522 million meters	-11.2

Linen cloth	29,016 million meters	-10.9
Sugar	563,500 tons	67.5
Dairy products	98,300 tons	6.8
Beer	539,800 tons	2.2
Cigarettes	698,200 crates	4.8
Machine-made paper and paper board	533,300 tons	5.4
Bicycles	317,800	-19.3
Watches	425,200	5.2
TV sets	100,100	5.3
of which:		
color sets	84,600	-31.9
Tape recorders	77,900	29.0
Cameras	24,100	-29.0
Household washing machines	4,800	-5.5
Household refrigerators	86,800	-3.7
Synthetic detergents	22,000 tons	-5.8
Plastic products	92,500 tons	-0.5
Chemical medicine	4,289 tons	-16.2
Energy production (in terms of standard fuel)	131.29 million tons	4.8
Raw coal	75,423,300 tons	8.9
Crude oil	55,555,600 tons	-0.3
Electricity	27,524 billion kwh	12.5
Pig iron	506,000 tons	11.6
Steel	937,900 tons	1.4
Rolled steel	784,100 tons	3.8
Aluminium wares	557,500 tons	4.0
Sulphuric acid	118,700 tons	-10.1
Soda ash	77,400 tons	4.5
Synthetic ammonia	490,800 tons	1.4
Ethylene	240,000 tons	24.1
Chemical fertilizers for agricultural use	347,000 tons	-2.6
Chemical insecticides	627 tons	0.2
Outer tires	1,449,200	-10.1
Capacity of power-generating equipment	3,001,900 kw	-2.0
Metal cutting machine tools	3,050	-26.2
Industrial boilers	4,171 tons of evaporate steam [zheng fa liang dun 5544 4099 6852 0903]	-35.9
Tractors	550	-24.7
Small tractors	33,700	-24.8
Timber	17,717 million cubic meters	1.1

Cement	5.53 million tons	5.8
Plate glass	4,671 million heavy boxes	22.1

New progress was made in lateral economic ties. This year, the province signed a total of 3,529 contracts and agreements on economic and technological cooperations, of which 2,291 were actually fulfilled. The province conducted material cooperations with other provinces, established raw materials bases in other provinces, and developed enterprise groups and enterprise associations, thus constantly expanding the sphere of cooperation. Through lateral economic ties, the province imported a total of 249 million yuan of capital from provinces. The total amount of goods and materials under cooperation reached 1.2 billion yuan, an increase of 130 percent over the previous year. The newly added industrial output value was 1.44 billion yuan, and the newly added taxes and profits amounted to 280 million yuan.

There was a decrease in economic returns for the various industrial enterprises. Because of uneven circulation of goods, under-capacity operation in some enterprises, and poor enterprise management, the profits achieved by budgetary industrial enterprises decreased by 8.8 percent from the previous year, although the profits and taxes delivered by such enterprises to the state increased by 5.7 percent. Products were stockpiled to serious proportions. The turnover period for working funds was prolonged to 180 days from 152 days. Profits, including taxes to be paid to the state, made per 100 yuan of capital dropped to 12.87 yuan from 14.8 yuan in 1988. The amount of deficits of enterprises increased by 45 percent. The general cost of comparable products rose by 22.6 percent. Per-worker labor productivity of state-owned industrial enterprises was 14,380 yuan, increasing by only 1.9 percent.

At present, structural contradictions within industrial enterprises remains conspicuous, and shortages of raw materials, energy resources, and funds remain the major factors hampering the development of industry.

3. Investment in Fixed Assets and Construction

In 1989, the province conducted a thorough clean-up of projects under construction, and curbed the scale of investment in fixed assets. A total of 228 projects were postponed or suspended across the province, a saving of about 1 billion yuan in investment. The total investment in fixed assets throughout the province in 1989 amounted to 14,567 billion yuan, a drop of 6 percent from the previous year. After price factors were deducted, the actual amount of work decreased by 17.7 percent. Of the total investment, 12,594 billion yuan went to state-owned enterprises, an increase of 0.7 percent over the previous year; 563 million yuan went to collectively-owned enterprises, a drop of 43.5 percent

from the previous year; and 1.41 million yuan went to private enterprises in urban and rural areas, a drop of 29.5 percent.

Of the total investment in fixed assets made by state-owned units, that in capital construction was 6.244 billion yuan, a decline of 4.0 percent from the preceding year, and the number of construction projects 2,253, a decline of 459. The investment pattern was adjusted. The investment in productive projects came to 4.49 billion yuan, down 2.1 percent from the preceding year; and that in nonproductive projects 1.754 billion yuan, down 8.4 percent. Key construction projects were strengthened continuously. The investment in the capital construction of state-owned energy industrial departments reached 2.087 billion yuan, up 16.7 percent from the preceding year; that of transportation, post and telecommunications departments 773 million yuan, up 9.6 percent; and that of cultural and educational departments 359 million yuan, up 20.1 percent.

The annual investment used in technical renovation and transformation totaled 3.369 billion yuan, down 5.6 percent from the preceding year. Of the total, the investment in energy conservation and production increase went down by 24 and 12.8 percent, respectively, from the preceding year; and increasing product varieties and improving product quality went up by 10 and 22.2 percent, respectively. During the year, 706 technical renovation and transformation projects were completed and commissioned, increasing fixed assets by 2.582 billion yuan.

Among the 19 large and medium-sized projects which should be completed and commissioned totally or in part as required by the state and the provincial plans, including the Fulaerji No. 2 Power Plant, the Harbin Power Plant, the Shuangyashan Power Plant, the Jiamusi Power Plant and the double tracking of the Harbin-Manzhouli and Mudanjiang-Linkou Railways, 16 projects were completed and commissioned. Newly increased production capacity mainly included 2.25 million tons of raw coal, 3.757 million tons of crude oil, 80,000 cubic meters of timber, 564,000 kilowatts of power generation capacity, 375,000 tons of cement, 10,000 tons of caustic soda, 17,600 tons of machine-made paper and paper board, 50,000 television sets, 33,000 cotton spinning spindles, 5,000 tons of commercial cold storage capacity, 162 km of railway, and 1,269 km of highway.

The 1989 investment in maintenance of oil fields, and development and extension of lumber industry and mines totaled 2.98 billion yuan, rising by 22.7 percent from the preceding year.

Reform of the construction industry was deepened continuously. Among state-owned construction enterprises, 421 instituted the contract responsibility system, accounting for 91.3 percent of the total number; and 7.863 million square meters in floor space were constructed under contract, accounting for 95.5 percent of

the total construction floor space. Among urban collective construction enterprises, 1,023 instituted the contract system, accounting for 96.7 percent of the total; and 8.624 million square meters were construction under contract, 99.5 percent of the total. Construction quality further improved. Quality awards were given to 140 projects, of which 45 projects won A-class quality awards and 95 projects won B-class quality awards. However, due to efforts to control the scope of investment, and a reduction in the production of construction industry, many construction and civil engineering enterprises were operated under capacity, and experienced a decline in profits, and the number of loss-making enterprises increased.

4. Transportation, Post, and Telecommunication

Transportation of freight developed steadily in 1989. The number of passengers dwindled due to a slowdown in economic expansion and increases in ticket prices. Freight transportation registered a fairly rapid growth, with improved conditions for transporting coal and other major materials. However, the situation in which transportation was incompatible with economic development, and the irrational transportation structure still existed.

	1989	percentage increase over 1988
Cargo	81.024 billion tons/km	6.9
Railway	68.959 billion tons/km	7.8
Highway	5.495 billion tons/km	7.5
Waterway	1.532 billion tons/km	-1.8
Oil pipelines	5.038 billion tons/km	-3.1
Passengers	21.553 billion persons/km	-5.4
Railway	16.241 billion persons/km	-6.7
Highway	5.213 billion persons/km	-1.4
Waterway	52 million persons/km	-26.7
Air	47 million persons/km	20.5

In 1989, business volume of postal and telecommunications operations totaled 215 million yuan, an increase of 19.3 percent over the previous year. Of this, the volume of letters dropped by 8.5 percent, that of newspapers and periodicals dropped by 52.9 percent; that of telegrams dropped by 3.5 percent; and that of long-distance telephone calls increased by 14.3 percent. There was a major increase in newly developed services, such as express delivery and users' cable. The year-end number of telephones installed in urban areas was 196,400, an increase of 17.9 percent over the year-end of 1988.

5. Provincial Commerce

The situation in the provincial market changed greatly, from an over-growth in 1988 to partial sluggishness in 1989. In 1989, the value of commodities procured by state-owned cooperative commercial departments

totaled 16.78 billion yuan, an increase of 2.4 percent over the previous year. Of this, the value of industrial products purchased in the province amounted to 4.35 billion yuan, an increase of 1.7 percent over 1988; and that of agricultural and sideline products purchased in the province amounted to 5.33 billion yuan, a drop of 1.7 percent. In 1989, the total volume of retail sales was 33.31 billion yuan, an increase of 16.8 percent over the previous year. When price increases were taken into account, the actual increase was 2.5 percent. Of the total retail sales volume, the volume of retail sales of means of agricultural production was 2.94 billion yuan, an increase of 20.4 percent; and that of consumer goods was 30.37 billion yuan, a rise of 16.5 percent. The value of consumer goods sold to institutions was 3.14 billion yuan, a rise of 10.8 percent.

The retail sales volume of state-owned commercial enterprises was up by 14.4 percent; that of collectively-owned units, 11.9 percent; and that of individual businesses, 36.5 percent. The retail sales volume of goods farmers sold to urban dwellers increased by 0.5 percent. There were 1,793 country fairs and markets in urban and rural areas of the province, 227 more than the 1988 figure. The transaction volume of the country fair trade amounted to 4.73 billion yuan, an increase of 23.5 percent.

A breakdown of the sales volume of various kinds of major consumer goods shows that food rose by 4.2 percent over 1988, fresh eggs went up by 11.5 percent, wine went up by 23.6 percent, woolen fabrics increased by 19.7 percent, chemical fiber cloth went up by 23.6 percent, silks and satins went up by 19.7 percent, electric fans went up by 29.1 percent, and color television sets went up by 31.3 percent. Due to the emergence of panic buying on several occasions in 1988, purchasing powers of some consumer goods were achieved ahead of time, thus leading to a drop in the retail sales volume of some consumer goods, expensive durable consumer goods in particular. For instance, retail sales volume of sugar declined by 19.9 percent, that of soap declined by 1.7 percent; that of knitted underwear declined by 15.2 percent; that of bicycles declined by 17.1 percent; that of television sets declined by 6.3 percent; that of tape recorders declined by 16.3 percent; that of household washing machines declined by 39.3 percent; and that of household refrigerators declined by 1.7 percent.

Economic returns of commercial departments declined. The commercial departments saw a marked reduction in profits and taxes last year after 1988's drastic increase. Profits and taxes achieved by such departments totaled 22.54 million yuan, a decline of 80.4 percent from the previous year. The number of enterprises running at a loss increased, and the costs of handling commodities in circulation rose to 9.16 percent from 8.07 percent in 1988. The period of capital turnover was prolonged.

Commodity prices on markets were put under effective control. Thanks to conscientious implementation of the "383 program," retail prices dropped remarkably. The

general retail price level in 1989 rose by 14 percent over 1988, a decline of 3.8 percentage point from 1988, or basically fulfilling the prescribed target, or being the lowest increase rate in the country. The general retail price level in urban areas increased by 14.2 percent over 1988 while the level in the countryside rose 13.4 percent, respectively registering a decline of 4.9 percentage points and 2 percentage points.

Increase of retail prices of diversified commodities:

	1989 percentage increase over 1988	1989 percentage point increase or decrease over 1988
Foodstuffs	11.9	-8.8
Grain	13.6	2.3
Meat, poultry, and eggs	14.4	-14.6
Fresh vegetables	2.2	-38.2
Aquatic products	15.6	-8.0
Clothing	16.7	1.5
Articles for everyday use	14.8	2.6
Articles of cultural and recreational use	13.5	-3.7
Books, newspapers, and magazines	124.0	108.6
Medicine and medical equipment	13.0	-13.2
Building materials	15.2	-8.4
Fuel	6.8	0.2
Means of agricultural production	11.9	-3.0

The annual cost of living index for staff members and workers was 114.6 percent and that of living index for peasants was also 114.6 percent. The price index for purchasing farm and sideline products was 115.1 percent.

The work of consolidating the circulation order achieved progress. Various localities actively adopted measures to check various counterfeit commodities and banned the duplicated wholesales in the same city. Thus, the phenomena of raising prices arbitrarily and engaging in illegal reselling were largely reduced and the chaotic circulation order achieved a turn for the better. However, the arbitrary charges of service items were relatively serious.

6. Foreign Economic Relations and Trade and Tourism

Economic exchanges with foreign countries were further enlarged. The total purchase volume of export commodities in 1989 reached 6.3 billion yuan, a 10.3-percent increase over 1988. The total trade volume of both import and export reached \$1.34 billion, a 14.7 percent increase over 1988. Of this total volume, exports reached \$1.027 billion, an 8.3 percent increase over 1988; and imports reached \$313 million, a 42.1 percent increase

over 1988. The province also made breakthrough progress in border trade with the Soviet Union and the barter trade with the East European countries. The total import volume in the year reached 590 million Swiss Francs, a twofold increase over 1988; and exports reached 19.819 million Swiss Francs, a 1.4-fold increase over 1988.

The scale of utilizing outside funds was enlarged. The volume of outside funds covered by the contracts signed during the year reached \$130 million. The province actually utilized \$105 million, a 14.8 percent increase over 1988.

The tourist business declined during the year due to the disturbance and riot which occurred at the turn of spring and summer in Beijing Municipality. The province received 34,800 persons during the year, including foreigners, Overseas Chinese, and compatriots from Hong Kong and Macao, who came to the province in order to make sightseeing and observation tours, to visit their relatives and friends, and to carry out their exchange activities. The total number of outside visitors showed a 40 percent decrease over 1988. The foreign exchange income earned from the tourist business reached 19.83 million yuan, a 28.2 percent decrease over 1988.

7. Finance and Banking

Financial departments at all levels scored marked achievements in actively enforcing the financial "project" of ensuring the fulfillment of the revenue plan. The province's total financial revenues during the year reached 7.18 billion yuan, an 8.8 percent increase calculated in terms of comparable items over 1988. Its general financial spending reached 8.54 billion yuan, a 13.1 percent increase calculated in terms of comparable items over 1988. After adding the balance and cutting the debts, the province basically achieved a balance between revenue and spending and had a little surplus for the year.

In conducting macro-readjustment and macro-control, the banking departments actively played a influential role in economic activities. By the end of 1989, the deposit sum of various banks reached 35.684 billion yuan, a 21.4 percent increase over 1988; and the sum of various loans reached 53.326 billion yuan, a 16.8 percent increase over 1988. Currency release declined and the cash incomes of banks reached 70.612 billion yuan, an 18.1 percent increase over 1988; and their withdrawn cash reached 74.733 billion yuan, a 15.3 percent increase over 1988. Their cash deposits and cash withdrawals balanced. Their net currency release reached 4.121 billion yuan, a 920 million yuan and 18.3 percent decrease over 1988.

8. Science and Technology, Education, Culture, Public Health, and Sports

New development was made in science and technology. In 1989, the province scored 732 scientific and technological achievements, of which 17 were close to the

international level, 396 reached the domestic level, and 318 filled the gaps in the province. The province made 172 major scientific and technological inventions. It submitted 1,014 patent applications to the state, of which 567 were approved. The contingents of scientific and technical workers were further expanded. At the end of the year, there were 834,600 professionals engaged in scientific and technological work in the state-owned units subordinate to the province, showing an increase of 13.6 percent over the preceding year.

An encouraging trend emerged in the technological development of enterprises. In 1989, there were 289 specialized technological development organizations in the 421 large and medium-sized industrial enterprises throughout the province, an increase of 56 over the preceding year; and 1,188 technological development projects were carried out, an increase of 249.

Education developed. In 1989, 1,189 postgraduates were enrolled in the province, the total number of postgraduates was 4,206, and 1,509 were given master's degrees. The number of regular colleges and universities increased to 42. They enrolled 24,000 undergraduates and students in special courses, a drop of 4.0 percent from the preceding year; the total number of their students was 79,000, an increase of 0.4 percent; and the total number of their graduates 23,000, an increase of 13.8 percent. Colleges and universities for adults enrolled 15,000 undergraduates and students taking special courses, and the total number of their students was 50,000.

At the end of 1989, specialized secondary schools had 63,000 students, down 0.6 percent from the preceding year; agricultural and vocational middle schools had 134,000 students, down 9.5 percent; skilled workers schools had 95,000 students, up 2.6 percent; regular middle schools had 1.85 million students, down 7.1 percent; and adult middle schools had 256,000 students, up 6.1 percent.

Primary schools throughout the province had 4.064 million pupils, and the school enrollment rate of school-age children 98.9 percent. The province's kindergartens and nurseries increased to 1,708, and the number of children enrolled was 570,000, an increase of 3.6 percent.

Thanks to efforts to "wipe out pornography" and to promote work, culture, and art developed vigorously in the process of rectification. In 1989, 58 television dramas and 88 radio dramas were produced. At the end of the year, the province had 5,213 movie projection teams, which presented 578,700 shows. It had 101 art performing groups, which staged 14,000 performances. It had 294 mass art and cultural centers (stations), 96 public libraries, and 19 museums. It had 14 radio stations and 45 radio transmitters and relay stations, which produced 17,000 hours of programs in the year. The province had 25 television stations, and 662 television transmitters and relay stations, of which 97 had a

capacity of more than one kilowatt each. They produced 3,259 hours of television programming. During the year, 420 million copies of local papers, 46.03 million copies of magazines, and 170 million copies of books and pictures were published.

Conditions for public health and medical care continued to improved. At the end of 1989, the province had 9,002 health organs, such as hospitals, sanatoriums, and clinics, which had 170,000 professional medical personnel, an increase of 2.6 percent over the preceding year. Of the total, 70,000 were doctors (including 52,000 doctors of traditional Chinese and Western medicines), an increase of 9 percent; and 46,000 were nurses, including senior nurses, an increase of 12.1 percent. The number of hospital sickbeds totaled 108,900, 3.6 percent more than the preceding year. The patriotic public health campaign, prevention and health work were strengthened.

New achievements were scored in sports. In 1989, our athletes won 143 gold medals, 155 silver medals and 126 bronze medals in domestic and foreign events. Mass sports activities further developed. During the year, the province held 2,470 sports events at and above the county level, with 1.281 million people participating. A total of 3.24 million people reached the "state standards for physical training."

9. People's Living Standards

In 1989, some 200,000 urban people were employed. By the end of 1989, the number of workers throughout the province was 8.355 million, an increase of 109,000 people over the previous year. Of these, workers employed under labor contracts reached 782,000 in number, an increase of 71,000 over 1988, with its proportion in the total number of workers employed by state-owned enterprises rising to 13.1 percent from 12.1 percent in 1988. In 1989, the total annual volume of wages for workers throughout the province (including price subsidy) was 14.13 billion yuan, an increase of 12.5 percent over 1988. Workers' per capita wages in cash was 1,739 yuan, an increase of 10.2 percent.

A sample survey of urban dwellers shows that in 1989, spendable incomes for daily lives averaged 1,033.9 yuan, a rise of 13.9 percent over 1988. (If material goods and bonuses workers received from their work units are included, the actual income of urban residents was higher.) The actual income of 45.5 percent of urban families dropped because of inflation. According to a sample survey of rural households, the annual per capita net income of peasants was 535.19 yuan, a drop of 3.3 percent from 1988. After deducting price increases, the real income of peasants dropped by 11.3 percent.

Housing conditions further improved in urban areas. In 1989, the state invested 1.135 billion yuan in building residences for workers, and completed the building of 3.009 million square meters of residences. New houses built in rural areas totaled 5.394 million square meters.

Urban and rural residents were saving more money last year. In 1989, thanks to the establishment of value-guaranteed time deposits, people's consumption psychology was stabilized. By the end of 1989, deposits in savings accounts reached 23.192 billion yuan, 6.438 billion yuan more than in 1988, or an increase of 38.4 percent.

Social welfare undertakings developed as well. In 1989, a total of 35,000 orphans, old people, and handicapped people were cared for by collectively-owned units in rural areas. There were 819 collectively-run old folks' homes in rural areas, caring for 21,000 people. There were 25 urban welfare homes, children's homes, and psychiatric hospitals throughout the province, caring for 5,600 persons.

The insurance business also developed steadily. In 1989, total assets of various insurance properties reached 104.14 billion yuan, an increase of 12 percent over 1988. Insurance premium totaled 495 million yuan, an increase of 24.5 percent. Property insurance covered 1.088 million families, and 4.583 million people had life insurance. Domestic property insurance dealt with 38,900 compensation cases and paid out 126 million yuan. Insurance business played an important role in helping disaster-affected enterprises, families, and individuals return to normal in production and livelihood in a timely manner.

10. Population

According to a sample survey of the province, in 1989, the province's birth rate was 18.84 per thousand, the mortality rate was 5.47 per thousand, and the natural growth rate rose from 12.71 per thousand in 1988 to 13.37 per thousand. Calculated according to the data of the sample survey, by the end of 1989, the province's population totaled 35.1 million, an increase of 440,000 persons, or 1.27 percent, over the year-end of 1988.

Note: All the figures in this communique are preliminary. The listed output value, gross national product, and national income are calculated according to prices in the same year, and the rate of increase is calculated according to constant prices. (Calculated in terms of the constant prices of 1980, the total industrial output value was 51.185 billion yuan, and the total agricultural output value was 11.709 billion yuan.)

Liaoning Communique Examines 1989 Economy

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[Communique on statistics of 1989 Liaoning Provincial economic and social development issued by the Liaoning Provincial Statistical Bureau on 8 February 1990]

[Text] Under the leadership of the provincial party committee and government, the people of various nationalities throughout the province conscientiously

implemented the guidelines of the fourth and fifth plenary sessions of the 13th party Central Committee and the second session of the Seventh National People's Congress, actively carried out the principle of improvement, rectification and in-depth reform, and achieved initial success in this in 1989. Demand was brought under control to a certain extent, the supply of essential products continued to grow, the contradiction between total supply and total demand was alleviated, and the national economy as a whole was moving toward a good direction. According to initial statistics, the province's GNP totaled 95 billion yuan, and national income 77 billion yuan, showing an increase of 3.5 and 3 percent, respectively, over the preceding year; and its industrial and agricultural output value (calculated in terms of constant prices) was 119.72 billion yuan, 4.9 percent over the preceding year. On the basis of a stable economic growth, urban and rural markets remained fairly stable, price increases were reduced every month, foreign trade expanded continuously, and various social undertakings showed new progress. However, the contradictions we encountered when developing the national economy were still very conspicuous. The endeavor of improvement and rectification became more difficult because, particularly, problems accumulated over the past years intertwined with new contradictions.

1. Agriculture

We further stabilized and improved the various policies and measures for the rural economy, strengthened leadership over agriculture, and increased input into agriculture, thus enabling the rural economy to develop continuously. The annual output value of rural product (calculated in terms of current prices) came to 62.5 billion yuan, an increase of 11.1 percent over the preceding year. Of the total, the output value of nonagricultural production was 39.15 billion yuan, an increase of 16.8 percent.

Despite the serious drought affecting agriculture, production in various aspects of agriculture showed certain development except for major crops, whose production suffered a substantial decline. The annual agricultural output value (calculated in terms of constant prices) came to 10.45 billion yuan, down 4.3 percent from the preceding year. Of the total, the output value of farming was 5.07 billion yuan, down 12.3 percent; and that of forestry, animal husbandry, sideline production and fisheries 5.38 billion yuan, up 4.7 percent.

Although agricultural production was seriously affected by disasters, the people throughout the province worked assiduously to reduce the losses incurred by disasters. The annual grain output totaled 10.182 million tons, a slight increase over the 1985 output; and the output of cash crops declined at varying degrees, except for cotton and flue-cured tobacco, which registered increases.

The output of major agricultural products was as follows:

	1989	percentage increase over 1988
Grain	10.182 million tons	-22.1
of which:		
paddy rice	2.839 million tons	-17.2
Cotton	8,000 tons	22.4
Oil-bearing crops	71,000 tons	-57.8
Beetroot	234,000 tons	-51.4
Flue-cured tobacco	31,000 tons	42.0
Silkworm cocoons	39,000 tons	13.2
Vegetables	7.9 million tons	1.0
Fruits	1.003 million tons	4.7

A total of 1.775 million mu of areas were afforested (calculated in terms that the tree survival rate was at and above 85 percent).

In animal husbandry production, the output of meat, eggs, and poultry registered increases at varying degrees. The annual output of meat reached 818,000 tons, 2.1 percent more than the preceding year. The year-end numbers of draft animals and pigs in stock also showed increases.

The output of major animal products and livestock headage were as follows:

	1989	percentage increase over 1988
Meat	818,000 tons	2.1
of which:		
pork	683,000 tons	4.3
beef and mutton	37,000 tons	6.1
Milk	130,000 tons	2.6
Draft animals at year's end	3.238 million head	1.5
Pigs at year's end	10.896 million head	2.3
Sheep at year's end	2.949 million head	7.5

Fishery production developed at a constant pace. Output of aquatic products in 1989 topped 1 million tons for the first time, reaching 1.004 million tons, an increase of 6 percent over the previous year. Of this, output of marine products was 941,000 tons, an increase of 6 percent; and output of fresh water products was 63,000 tons, an increase of 6.8 percent.

The conditions for agricultural production improved somewhat, and farmland capital construction was strengthened. By the end of 1989, the aggregate power used by the province's farm machinery reached 10,369 million kw, an increase of 1.3 percent over the previous year. There were 198,000 large, medium-sized, small, and hand-guided tractors, an increase of 4.2 percent. The power used by irrigation and drainage equipment was

1.924 million kw, an increase of 4.9 percent. A total of 746,000 tons of chemical fertilizer were applied throughout the year, an increase of 6.4 percent. (This is calculated according to 100 percent of effective composition) The consumption of electricity in rural areas was 4.18 billion kwh, an increase of 1.7 percent. The "Dayu Cup" emulation drive focusing on vigorously carrying out farmland capital construction continued to deepen in rural areas of the province. Throughout the year, a total of 220 million workdays were put in this drive, and 560 million cubic meters of earth and stone were completed, an increase of 100 percent over the previous year. New headway was made in the comprehensive agricultural development of Liaohé delta.

Major problems in agriculture were: The foundation for agriculture was weak, the comprehensive capacity to resist natural calamities was relatively low, water resources were insufficient, and the momentum for further development of agriculture was weak.

2. Industry

Despite the fund shortage, the tension on coal, electricity, and transport facilities, and the sluggish market, industrial enterprises made great efforts to tap internal potential, readjust product setup, and increase effective supply, thus making industrial production increase by a certain rate. In 1989, the total industrial output value was 109.27 billion yuan, an increase of 5.9 percent over the previous year. Of this, output value of industry at or above town and township levels was 90.51 billion yuan, an increase of 4.1 percent. The output value of the state-owned sector was 61.78 billion yuan, an increase of 2.6 percent; that of the collective sector was 24.36 billion yuan, an increase of 6.3 percent; that of town and township sectors was 6.59 billion yuan, an increase of 12.9 percent; and that of other economic sectors was 4.38 billion yuan, an increase of 14 percent.

Light industrial enterprises positively organized the production of daily necessities and scarce brand-name, quality, and new products, constantly improved the quality of products, and strengthened the after service, thus playing a positive role in maintaining production growth and stabilizing markets. In 1989, the total output value of light industry was 29.25 billion yuan, an increase of 2.6 percent over the previous year.

The output of major light industrial products was as follows:

	1989	Percentage increase over 1988
Television sets	1,475,600	16.9
of which color sets	490,000	20.1
Household refrigerators	331,000	-12.6
Electric fans	368,200	31.5
Tape recorders	690,600	14.1

Household washing machines	628,800	-27.9
Cotton yarn	214,500 tons	-8.8
Cloth	672 million meters	-2.5
Woolen fabrics	6,600 tons	4.7
Sugar	32,000 tons	-19.8
Crude salt	3,300,800 tons	64.4
Cigarettes	569,400 crates	7.8
Canned food	85,000 tons	7.3
Beer	485,600 tons	1.2
Dairy products	4,900 tons	4.8
Synthetic detergents	49,200 tons	4.9
Machine-made paper and paperboard	806,000 tons	-1.1

Through positively readjusting the production structure and the product mix and strengthening the development of basic industries, such as industries of energy resources and raw materials, the heavy industry changed the trend of declines, that once occurred at the beginning of the year. The total output value of the heavy industry during the year was 61.26 billion yuan, an increase of 4.8 percent over the previous year. The production of energy resources and raw materials industries steadily increased, and that of processing industries was reduced markedly.

The output of major heavy industrial products was as follows:

	1989	Percentage Increase Over 1988
Raw coal	48,882,500 tons	7.8
Crude oil	13,450,300 tons	6.1
Electricity	41,672 billion kwh	1.2
Of this, hydro-electricity	1,610 billion kwh	-42.9
Pig iron	11,362,500 tons	-4.7
Steel	12,028,500 tons	-0.2
Rolled steel	9,371,500 tons	3.0
10 nonferrous metals	341,900 tons	4.0
Soda ash	751,300 tons	2.4
Caustic soda	259,700 tons	-1.9
Sulphuric acid	788,800 tons	-2.1
Plate glass	9,912,400 heavy crates	19.1
Cement	11,987,900 tons	-5.1
Chemical fertilizer (converted to 100 percent efficiency)	669,800 tons	1.4
Chemical insecticides (crude pesticides)	18,500 tons	35.1
Machine tools	20,000	-4.1
Vehicle	49,600	-12.2

The production of export industrial products increased rapidly. The total output value of export industrial products was 8.07 billion yuan, an increase of 12.7 percent over the previous year. Of this, the output value of export industrial products of the Liaodong peninsula open zone reached 6.26 billion yuan, accounting for 77.6 percent of the province's total.

The industrial front made achievements in saving energy resources. However, its economic results were not ideal enough. The consumption of energy resources for producing per 10,000 yuan worth of industrial output value was 6.27 tons, a drop of 1.7 percent from the previous year and saving 920,000 tons of energy resources (calculated in terms of standard coal.) The per capita productivity of industrial enterprises increased by 1.5 percent over the previous year. More than 90 percent of the products steadily upgraded their quality. The profits and taxes realized by the local budgetary state-owned industrial enterprises were reduced by 0.4 percent from the previous year. Of this, the profits were reduced by 24.4 percent. The rate of profits and taxes from funds was dropped from 22.39 percent in 1988 to 17.86 percent, the cost of comparable products was overspent by 24.83 percent, and the deficits of the money-losing enterprises increased by 1.6 times.

The major problems existing within the industrial enterprises were as follows: The shortage of coal, electricity, and water was still a prominent contradiction. Enterprises did not catch up with the changes in the market needs although their product mix was readjusted. Some products did not find ready markets and some were overstocked. There were difficulties in circulation of funds. A large number of enterprises suffered losses, and the number of enterprises whose production was totally or partially suspended increased.

3. Transportation, Posts, and Telecommunications

In the course of improving the economic environment, rectifying the economic order, and deepening reforms, the transportation departments ceaselessly tapped their potential, expanded their transportation capacity, and successfully fulfilled their transportation tasks. The volume of goods handled by various transportation means during the year reached 161.36 billion tons/km, an increase of 3.9 percent over the previous year. Of this, the volume of goods handled by railway lines within the province reached 94.48 billion tons/km, an increase of 4.5 percent; that handled by roads reached 18.72 billion tons/km, an increase of 5.1 percent; that handled through sea transportation was 31.23 billion tons/km, an increase of 4.5 percent; and that handled through air transportation was 35.577 million tons/km, an increase of 5.6 percent. A total of 16.9 billion tons/km of petroleum was handled through the petroleum pipelines within the province, a drop of 1.6 percent; and 54.624 million tons of cargo were loaded or unloaded by ports.

The strained situation in passenger transportation was eased thanks to the various corresponding policies

adopted by the state for passenger transportation. The annual volume of passengers transported by various means of transportation totaled 470 million people, a drop of 0.7 percent from the preceding year. Of the total, railway passenger transportation volume in the areas under the jurisdiction of the province totaled 180 million persons, down 7.8 percent; highway passenger transportation volume was 290 million persons, up 4.3 percent; waterway passenger transportation volume was 3.274 million persons, down 9.5 percent; and civil air passenger transportation volume was 468,000 persons, down 6.8 percent.

Transportation facilities continued to improve. A 320 km-section of the Shenyang-Dalian Expressway opened to traffic, of which 239 km were enclosed for traffic; Shenyang's Taoxian Airport opened services officially, and four new air routes were opened; and the cargo handling capacity of newly built or expanded wharfs was 1.44 million tons.

Post and telecommunication continued to develop, and the construction and capacity of telecommunications facilities were further strengthened. The annual post and telecommunications business transactions totaled 347 million yuan, rising by 22.2 percent over the preceding year. The capacity of local telephone service was increased by 62,600 lines, and 1,406 new long-distance telephone lines were opened. New telecommunications businesses, such as paging operations, long-distance direct dialing, mobile radio telephones, abbreviated dialing, hot-line services, and three-way conversation, were started one after another. Telecommunications technology, equipment, and automation levels were upgraded continuously. Except for the newly established Jinxi City, 13 cities in the province opened domestic and international direct dialing service, and nine cities imported and put into operation program-control switchboards to transform and expand the original long-distance telephone exchange equipment. The year-end number of telephones installed in urban areas was 571,000, an increase of 60,000 over the year-end number of the preceding year; and that of telephones installed in rural areas was 106,000, an increase of 8,000.

Major problems in communication and transportation were the rather conspicuous incapability for transportation to suit economic development, long period of over-capacity railway transportation, and the contradiction in the irrational transportation structure.

4. Investment in Fixed Assets and Construction

The scope of investment in fixed assets was brought under control to a certain extent, the investment pattern was adjusted, and the state key construction projects were carried out fairly successfully. The annual amount of investment in fixed assets totaled 24.16 billion yuan, decreasing by 1.97 billion yuan or 7.5 percent from the preceding year. Of the total, the investment made by state units was 20.08 billion yuan, down 5.4 percent; the investment made by urban and rural collective units was

1.77 billion yuan, down 29.5 percent; and the investment made by urban and rural individual units was 2.31 billion yuan, down 3.7 percent.

In capital construction, basic industries and infrastructural facilities, such as agriculture, energy resources, telecommunication, and raw material industries, were strengthened on a priority basis, efforts were mustered to carry out the key construction projects aimed at increasing the strength for sustained economic development, and proper arrangements were made for the projects closely related to the people's life. The annual amount of capital construction investment made by state units totaled 10.63 billion yuan, increasing by 2.9 percent over the preceding year. Of the total, the investment in productive projects came to 6.95 billion yuan, increasing by 7.2 percent, and its proportion in the total capital construction investment grew from 62.8 percent in the preceding year to 65.4 percent; and the investment in nonproductive projects was 3.68 billion yuan, decreasing by 4.3 percent, and its proportion dropped from 37.2 to 34.6 percent. The investment in the energy industry totaled 2.4 billion yuan, that in raw material industry 2.7 billion yuan, that in agriculture, forestry, and water and gas supply 280 million yuan, and that in transportation, post and telecommunication 910 million yuan, and their proportions in the total capital construction investment made by state units were 22.6, 25.4, 2.6, and 8.6 percent, respectively. Investment in the 48 large and medium-sized capital construction projects carried out on a priority basis was 5.08 billion yuan, equivalent to 102.6 percent of the annual quota. Of the total, the investment in the eight large and medium-sized projects organized by the state and scheduled for a reasonable construction period was 1.57 billion yuan, 106.1 percent of the annual quota. Of the 11 key projects which should be completed totally or of which some single-item projects should be completed as required by the state, 5 were completed and commissioned on schedule or ahead of schedule. Houses totaling 3.08 million square meters in floor space were completed and commissioned. Fixed assets increased through capital construction totaled 7.95 billion yuan.

Investment in technological transformation of enterprises decreased somewhat. In 1989, the investment in equipment renewing and technological transformation of the state-owned units amounted to 7.57 billion yuan, a drop of 19.6 percent from the previous year. The proportion of investment in fixed assets of the state-owned units dropped from 44.3 percent in 1988 to 37.7 percent in 1989. Viewing the orientation and usage of investment, the tendency of "increasing input" in technological transformation was placed under control. The proportion of investment in purchasing equipment rose from 40.9 percent in 1988 to 44.3 percent; and the proportion of investment in construction projects dropped from 42.4 percent in 1988 to 38.5 percent. A total of 3.13 billion yuan was invested in increasing varieties and designs of products, saving energy resources, improving product quality, and treating three

wastes, accounting for 47.8 percent of the total productive investment in renewal and transformation projects. In 1989, a total of 2,314 projects of equipment renewal and technological transformation were completed, adding to the fixed assets by 5.69 billion yuan.

Newly added production capacity and efficiency resulting from the investment in fixed assets of the state-owned units included: 175,000 kw of power generating capacity, 1.43 million tons of coal, 309,000 tons of steel, 2.5 million tons of crude oil, 761,200 KVA of power transformer equipment, 342 km of power transmission line (110,000 volt or higher), 200,000 tons of petroleum processing capacity, 225,000 tons of cement, and 15,000 cotton textile spindles.

Under the new situation of curbing the scale of the total investment in fixed assets, building industrial enterprises strived to search for more markets at home and abroad, thus avoiding a large-scale slide in production. In 1989, the state-owned construction enterprises fulfilled 6.99 billion yuan in the total industrial value, slightly more than the 1988 figure. Total floor space of housing completed in 1989 came to 6.558 million square meters. Their per-capita labor productivity rose by 9.6 percent over the previous year.

Problems in the fixed assets investment and the building industry were: It was still difficult to effectively control the unplanned investment in capital construction; the investment in technological transformation projects declined excessively, which was unfavorable for the technological progress of enterprises and for the upgrading and renewal of their products; and work quotas assigned to the building industry were insufficient.

5. Domestic Market and Prices

Urban and rural markets were relatively stable, and the order in the circulation sphere improved somewhat. Throughout 1989, the total volume of the province's retail sales amounted to 45.05 billion yuan, an increase of 11.9 percent over the previous year. Of the total, the volume of consumer goods was 41.1 billion yuan, an increase of 11.8 percent; the volume of consumer goods sold to institutions was 5.03 billion yuan, an increase of 11.6 percent, which was put under control; and the volume of means of agricultural production was 3.92 billion yuan, an increase of 13 percent. In 1989, the total volume of net purchases of commodities was 30.2 billion yuan, up by 9.5 percent over the previous year. Of the total, the volume of industrial products purchased was 20.91 billion yuan, an increase of 6.2 percent; and the volume of agricultural and sideline products was 8.5 billion yuan, an increase of 22.1 percent. By the end of 1989, the total value of commodities in stock throughout the province rose by 16.5 percent over the previous year's end.

Sales of most commodities on consumer goods markets were normal, material resources were relatively abundant, and the supply of daily necessities to the people

was ensured. In particular, the supply of grain, cooking oil, vegetables, meat, eggs, and other staple and non-staple foods was better than that of previous years. In 1989, the volume of retail sales of foodstuffs was 18.61 billion yuan, an increase of 16.4 percent over the previous year; that of clothing was 6.78 billion yuan, an increase of 4.1 percent; and that of household articles was 14.44 billion yuan, an increase of 8.1 percent. Affected by the undue increase in commodity sales in the previous year, sales of some consumer goods declined by varying degrees.

The sales volume of major consumer goods was as follows:

	1989	percentage increase over 1988
Grain	790,000 tons	1.1
Edible plant oil	233,900 tons	12.4
Pigs and pork	5.13 million	31.8
Eggs	105,300 heads	23.7
Aquatic products	301,500 tons	46.3
Sugar	171,800 tons	-14.8
Cigarettes	1,015,200 crates	-0.4
Wine	342,000 tons	-9.4
Cotton cloth	149,260,000 meters	-27.0
Woolen piece goods	15.47 million meters	-27.7
Leather shoes	17.17 million pairs	-5.2
Garment	72.57 million pieces	16.1
Soap	3,061,600 boxes	-16.9
Bicycles	1,248,300	-12.1
Television sets	651,800	-28.3
of which color sets	411,500	-18.8
Tape recorders	572,500	-36.2
Household washing machines	415,000	-35.8
Household refrigerators	351,300	0.9

Sales of various economic sectors developed somewhat. In 1989, the volume of retail sales of the state-owned commercial units went up by 9.8 percent over the previous year; the volume of retail sales of the collective-owned commercial units rose by 2.3 percent; and the volume of retail sales of individual-owned commercial units increased by 26.3 percent. Country fair trade in urban and rural areas was prosperous and brisk, and the order in transactions improved. In 1989, the transaction volume of country fair trade amounted to 9.61 billion yuan, an increase of 29.8 percent; and the proportion of the country fair trade in the total volume of the province's retail sales rose from 18.4 percent in 1988 to 21.3 percent in 1989.

Satisfactory results were achieved initially in price control, and the upward trend of commodity prices slowed

down gradually. The increase rate of the general retail price level dropped from 28.1 percent in January to 7.9 percent in December. Because of the large scale of price hikes in 1988, which produced a great impact on the general price index, the general level of prices in 1989 rose by 18.4 percent over the 1988 figure, lower than the 1988 increase rate by 0.9 percentage point. Of this, the general price level in urban areas rose by 17.1 percent, lower than the 1988 increase rate by 2.9 percentage point; and the general price level in rural areas rose by 21.1 percent, higher than the 1988 increase rate by 4.7 percentage point. The price index of consumer goods rose by 18.2 percent, lower than the 1988 price increase rate by 1.3 percentage point. Prices of foodstuffs rose by 16.2 percent. Of which, prices of grains rose by 19.6 percent; meat, poultry, and eggs, 16.0 percent; fresh vegetables, 11.7 percent; aquatic products, 18.4 percent; clothing, 22.2 percent; articles for daily use, 16.5 percent; articles for cultural and recreational use, 13.9 percent; books, newspapers, and magazines, 70.2 percent; medicine and articles for medical treatment, 22.8 percent; building and decoration materials for civilian use, 20.9 percent; and fuel, 9.9 percent. The price index of means of agricultural production rose by 20.8 percent.

The general level of living cost for the province's residents in 1989 went up by 18.2 percent, lower than the 1988 increase rate by 1.1 percentage point. Of this, the price index of the living cost for urban residents went up by 17.2 percent, and that for urban residents rose by 20.1 percent.

The main problems involved in market prices included: Market slump emerged in the second half of 1989, a small number of high-grade durable consumer goods were unsalable on market, the structural contradictions between supply and demand of commodities remained conspicuous, the price control work in rural areas was relatively weak, and the price increase scale in rural areas was relatively big.

6. Foreign Trade and Tourism

Foreign trade continued to expand, and new progress was made in foreign capital utilization. The annual volume of commodities purchased for export exceeded 10 billion yuan for the first time, reaching 11.697 billion yuan, growing by 24.2 percent over the preceding year. Total volume of imports and exports amounted to \$5.334 billion, up 20.1 percent from the preceding year. Of the total, the volume of exports came to \$4.446 billion, up 14.8 percent. The export volume of the commodities provided by the province was \$2.636 billion, accounting for 59.3 percent of the total export volume, and showing an increase of 16.1 percent over the preceding year. Total import volume was \$888 million, increasing by 55.8 percent.

New foreign capital utilization contracts signed in the year totaled 471, with the transactions reaching \$850 million. Of this amount, direct investment by foreign business firms covered in newly signed contracts totaled

\$280 million, up 45.8 percent from the preceding year. The actual annual amount of foreign capital used by the province was \$590 million, up 7.1 percent. By the end of the year, the province had 746 Chinese-foreign joint ventures and cooperative enterprises, and exclusively foreign-funded enterprises, of which 325 had been completed and put into operation. The economic results and foreign exchange earning capacity of enterprises continued to improve. They earned \$120 million through export in the year, 2.3 times greater than the preceding year.

Substantial progress was made in economic and technological exchanges and cooperation with foreign countries. In the year, the province carried out 74 technology export projects, with the transactions totaling \$70.54 million, 4 times greater than the preceding year, signed 296 technology import contracts, with the transactions totaling \$260 million, 36.8 percent more than the preceding year; and the actual amount of foreign capital used was \$220 million. Contracts on construction projects undertaken for foreign countries and labor service cooperation projects worth \$150 million were signed, increasing by 2.9 times; and projects worth \$44.95 million were completed. The year-end number of the personnel sent abroad by the province was 6,000.

In tourism, which was affected by the international environment, the number of tourists declined. In the year, the province received 80,000 foreign, Hong Kong, Macao, Taiwan, and Overseas Chinese tourists, a drop of 22.8 percent from the preceding year. However, thanks to the improvement of tourist conditions and the opening of tourist programs, foreign exchange earned from tourism came to \$54.7 million, a decline of merely 1.3 percent from the preceding year.

Problems in foreign trade were the increase in the cost of and the low rate of foreign exchange earning.

7. Finance, Banking and Insurance

Despite a notable increase in the factors for increasing the expenditure and reducing the revenue, the revenue still registered an increase, and the annual budget was fulfilled. The annual local revenue totaled 12.83 billion yuan, equivalent to 102.4 percent of the annual budget, and a 13.1-percent increase over the preceding year. Thanks to the efforts to strengthen tax collection and management, industrial and commercial taxes totaled 12.61 billion yuan, 107.2 percent of the annual budget and 20.9 percent over the preceding year. The local expenditure was 10.78 billion yuan, 97.9 percent of the annual budget and a 16.3-percent increase over the preceding year. Of the total expenditure, that used in supporting agricultural production grew by 49.6 percent; that used in education by 20.4 percent; and that used for the three purposes of scientific and technological development by 28.0 percent.

Banking departments conscientiously implemented the currency and credit principle of "controlling the total amount, adjusting the structure, ensuring the key

projects, reducing ordinary projects, and conducting regulation in a timely manner." While putting the scope of loans and money put into circulation under strict control, they exerted great efforts to raise funds, actively tapped potential, adjusted the credit pattern, and increased the supply of essential products, thus gradually improving the financial order. The year-end amount of savings deposits of banking departments showed an increase of 11.03 billion yuan, or 19.4 percent, over the amount calculated at the beginning of the year. Thanks to the inflation-proof service for savings deposits and other measures, the savings of urban and rural people registered a substantial growth. The year-end amount of their savings totaled 34,528 billion yuan, up 8.877 billion yuan, or 34.6 percent, from the amount calculated at the beginning of the year. The year-end amount of loans totaled 14,881 billion yuan, up 19.4 percent from the amount at the beginning of the year. When issuing loans, priorities were given to the production of large and medium-sized key enterprises, agricultural production, purchases of farm and sideline products, export, and state key construction projects.

Insurance business was continuously developing. The income of domestic business insurance premium was 1.093 billion yuan, an increase of 20.5 percent over the previous year. Of this, the income of property insurance premiums increased by 26.2 percent, that of agricultural insurance premiums increased by 77.3 percent, and that of life insurance premiums increased by 16.3 percent. The income of foreign business insurance premiums was \$28.359 million, an increase of 19.6 percent. The business compensation expenses reached 608 million yuan during the year; thus making positive contributions to supporting the disaster-stricken enterprises, households, and individuals to timely restore production and management and arrange livelihood.

The major financial and banking problems were as follows: Enterprises were behind in handing over profits and taxes. The amounts of subsidies of various kinds increased with each passing year. There were greater difficulties in striking a balance between revenues and expenditures. Enterprises were still short of funds. The contradictions between credit supply and demand still prominently existed.

8. Science and Technology, Education, and Culture

The further implementation of the guiding principle of "rejuvenating Liaoning through science and technology" has promoted the development of scientific and technological undertakings. The province made 3,675 natural scientific and technological research findings during the year, 69 more than that of last year. Of this, 1,893 were key scientific and technological research findings. Some scientific and technological research findings attained the international advanced levels. The province's 34 scientific and technological research findings were rewarded by the state departments with the approvals of the state. Of this, 25 won the state scientific and technological invention prizes, 4 won invention prizes, and 5

won spark prizes. Of the total scientific and technological research findings, 69.2 percent were directly popularized and applied. Better economic results and social effects were gained.

The province continuously organized the implementation of the project for "building 100 scientific and technological model villages, 20 scientific and technological model townships, and 3 scientific and technological model counties across the province" and the "Spark Plan;" and scored noticeable results in these regards. New headway was made in developing new technologies and building high-technology industries. Enterprises continuously strengthened their capability of assimilating and developing technologies and blazing new trails. Large and medium-sized enterprises organized forces to develop 3,666 technologies; thus, successfully promoting technological progress. Markets of technology were developed steadily. The province signed 27,000 technological contracts during the year, and the transaction volume was 820 million yuan. The management of soft science became regularized in a step-by-step manner. A number of new soft scientific research results were achieved.

The ranks of science professionals and technicians were further expanded. By the end of 1989, state-owned units employed 720,000 natural science professionals and technicians, an increase of 99,000 over the previous year; and 826,000 social science professionals and technicians, an increase of 195,000.

Educational undertakings continued to develop steadily by controlling the quantity, upgrading the quality, readjusting the structure, and deepening reform. Last year, the institutions of higher learning of various categories enrolled 35,000 students for regular and special training courses; the enrollment in these institutions was 123,000, an increase of 2,000 over the previous year; and 33,000 students graduated from these institutions. Institutions of ordinary higher education and scientific research units enrolled 1,456 postgraduates, and there were 5,171 postgraduates studying in these institutions. Secondary technical education was further developed. The enrollment in ordinary secondary specialized schools was 103,000, an increase of 5,000 over the previous year; that of agricultural (vocational) middle schools was 147,000, an increase of 1,000; that of technical schools was 92,000; and that of ordinary high schools was 256,000. The proportion of the enrollment in secondary vocational and technical schools in the total enrollment of the schools at the senior high school level rose from 55.6 percent in 1988 to 57.2 percent. Basic education was ceaselessly strengthened. The enrollment of ordinary middle schools was 1,575,000, and that of primary schools was 4,127,000. The nine-year compulsory education was under implementation in a planned manner and step by step. A total of 662 middle schools practiced compulsory education, 50 more than the 1988 figure, or accounting for 31.8 percent of the province's total number of middle schools. The results in making primary school education universal were consolidated and

enhanced further. Certain progress was also made in special education for slow and handicapped children. The adult education witnessed initial results in strengthening professional training and the technological course. All types of higher, secondary, and elementary schools for adults enrolled a total of 2.236 million students, 374,000 more than the 1988 figure.

The cultural field was continuously prosperous. In 1989, various art performing troupes staged a total of 739 performances of various themes, with the number of showings reaching 15,000, and with the audience reaching 14.24 million persons. By the end of 1989, the province had 6,837 film-showing units of various types, which released 1.027 million films, with the audience reaching 400 million persons. The mass cultural units continued to make new progress in conducting all-round cultural service. Continued improvements were made in the facilities of mass art halls, cultural halls, public libraries, and museums. Radio and television stations scored satisfactory achievements in improving service quality and social effect. In 1989, the provincial coverage rate of radio broadcasting was 74.2 percent, and that of television broadcasting was 72.8 percent, both higher than the 1988 figures. In 1989, the province published 2,621 kinds of books, 432 more than the 1988 figure, and issued and printed 260 million copies of books. The province also published 236 kinds of magazines involving 110 million copies; and published 72 kinds of newspapers. Satisfactory results were achieved in the antipornographic work initially. The outlook of the cultural market changed remarkably.

9. Public Health, Sports, and Environmental Protection

The public health cause continued to develop, and the overall service capacity of medical and health care units was enhanced further. Throughout the province, there were 7,698 public health units, of which, 1,958 were hospitals. The number of medical treatment beds throughout the province reached 193,000, an increase of 9,000 over the previous year. Of which, the beds in hospitals reached 170,000, an increase of 5,000 over the previous year. There were 218,000 professional medical personnel, 3,000 more than the previous year. Of them, 85,000 were doctors, an increase of 3,000 persons over the previous year; and 70,000 were nurses, an increase of 3,000 persons. Disease prevention and health care work was strengthened. Throughout the province, there were 133 health care and epidemic prevention organs, and 6,894 persons engaged in epidemic prevention work, an increase of 3.8 percent over the previous year. Prevention and control of infectious and contagious and chronic diseases gained new achievements. The results in prevention and curing of endemic diseases were consolidated further. Medical supervision and monitor work was strengthened.

Sports undertakings also had great achievements. In 1989, the athletes of the province won a total of 193 gold medals at various major domestic and international

sports events, of whom, 5 won the title of world champion, 4 broke world records on 10 occasions, 13 won 12 Asian championships, 7 broke 9 Asian records on 12 occasions, and 10 broke 12 Asian championship records on 18 occasions. Great progress was made in construction of sports facilities. The provincial sports training center and the Shenyang City central gymnasium, which were newly built, created conditions for improving the province's sports facilities and sponsoring major domestic and international sports games. The second national juvenile sports event sponsored by the province was held successfully. At this event, the province's delegation won five first places—the total number of sports moral and manner prizes, the total number of gold medals, the total number of medals, the total group score, and the total number of new records. The provincial women's volleyball team won championships at the national A-class league volleyball matches, realizing their goal of winning three successive championships. The provincial men's soccer team qualified to participate in the finals of the Asian soccer event, with the best score achieved by a local team of the country at major Asian soccer events.

Certain progress was made in environmental protection, and environmental pollution was put under control. The campaign of the "Green-leaf Cup" emulation drive was developed in depth. The city appearance was improved, and the greening level of gardens and forests improved remarkably.

10. The People's Livelihood

The income level of urban and rural people continuously increased. A broad survey showed that the urban dwellers' per capita income for living expenses was 1,289 yuan, an increase of 17.6 percent. If factors for price hikes are taken into account, the income increased only slightly. The urban dwellers' per capita living expenses were 1,276 yuan, an increase of 13.1 percent. Despite the serious natural disasters, the income of the peasants still increased. The per capita income of the peasants was 740 yuan, an increase of 5.8 percent over the previous year. If price hikes are factored, the real income dropped by 7.2 percent.

The reform of the labor system was continuously deepened. New headway was made in employing job-seeking personnel and carrying out the system of employing workers on a contract basis. A total of 271,000 people found jobs in the urban areas. The province had 9.942 million staff members and workers by the end of the year, an increase of 36,000 over the corresponding period of 1988. Of this, state-owned units had 894,000 contracted staff members and workers, an increase of 122,000. The wage bills of the staff and workers reached 19.55 billion yuan, an increase of 12.4 percent. Self-employed workers in the urban areas totaled 395,000, an increase of 13,000 over the same period of 1988.

Social welfare services continued to improve. New headway was made in developing social services and

guarantee networks in the urban and rural areas. Social relief facilities were greatly developed.

The main problems in the people's livelihood were as follows: The normal production of some enterprises was affected by the sluggish market and the overstocking of products. As a result, some staff members and workers were confronted with living difficulties due to the decline in their real income. Meanwhile, there were more difficulties in arranging jobs for job-seeking persons.

11. Population

According to the calculation in terms of a broad survey of population changes, the province had 38.70 million people by the end of 1989, an increase of 440,000 over the same period of 1988. The population birth rate during the year was 15.04 per thousand, the mortality rate was 5.61 per thousand, and the natural growth rate was 9.43 per thousand.

Northwest Region

Shaanxi Acting Governor Visits Congress Deputies

HK2704121590 Xian Shaanxi Provincial Service
in Mandarin 2330 GMT 22 Apr 90

[Text] Yesterday afternoon, provincial government leaders, including Bai Qingcai, acting governor of Shaanxi Province, Xu Shanlin, Sun Daren, and Wang Shuangxi, vice governors of Shaanxi Province, visited various local delegations to the Third Plenary Session of the Seventh Shaanxi Provincial People's Congress to listen to the views put forward by the deputies and answer the questions raised by the deputies.

Acting Governor Bai Qingcai and responsible persons of some provincial departments visited the Xian City Delegation and listened to the views put forward by the Xian City deputies on urban construction and building a clean government.

Comrade Bai Qingcai said that the deputies have put forward a large number of valuable views and proposals. The Shaanxi Provincial People's Government will conscientiously study these views and proposals so as to implement them in practice. The people's governments at all levels in Shaanxi must become governments that work with high efficiency, honestly perform their official duties, and wholeheartedly serve the people.

Vice Governor Xu Shanlin visited the People's Liberation Army [PLA] Delegation and listened to the views put forward by the PLA deputies.

Comrade Xu Shanlin said that the PLA units stationed in Shaanxi have for years rendered invaluable support to the work of the Shaanxi Provincial People's Government. The Shaanxi Provincial People's Government will do all it can to support the PLA units stationed there in their army building work.

Vice Governor Sun Daren visited the Hanzhong Prefecture Delegation and conscientiously listened to the views put forward by the deputies.

Comrade Sun Daren said that the Shaanxi government will exert its utmost to solve the problem of various areas implementing their own local policies toward peasants.

Vice Governor Wang Shuangxi visited the Weinan Prefecture Delegation and listened to the views put forward by the deputies.

Comrade Wang Shuangxi urged the deputies to direct more energies to agricultural development, strengthen summer grain management, and reap a good agricultural harvest this year.

Shaanxi Holds Emergency Production Meeting

HK0705073790 Xian Shaanxi Provincial Service in Mandarin 2330 GMT 5 May 90

[Text] The Shaanxi Provincial People's Government held an emergency telephone meeting on strengthening spring agricultural production yesterday evening.

The meeting demanded that the broad masses of the cadres and people in Shaanxi take immediate action to make preparations for fighting against natural calamities and waste no time in strengthening agricultural production this spring so as to lay a solid foundation for Shaanxi to reap a good agricultural harvest this year.

Wang Shuangxi, vice governor of Shaanxi Province, delivered a speech at the meeting.

In his speech, Comrade Wang Shuangxi pointed out that the situation of Shaanxi's agricultural production is, by and large, good at present. The people's governments at all levels in Shaanxi have endeavored to mobilize and organize the broad masses of the cadres and peasants to carry out spring agricultural production in a down-to-earth manner. Nonetheless, a number of negative factors still exist in Shaanxi's agricultural production at present. They include bad weather, low temperatures, plant diseases and insect pests, and so on. Therefore, Shaanxi's agricultural production still faces a severe situation.

Comrade Wang Shuangxi said that in order to reap a good agricultural harvest this year, greater energy must be directed to the following aspects of work: 1) To practically strengthen field management of all crops and prevent and cure plant diseases and insect pests; 2) To mobilize the broad masses of the peasants to make preparations for combatting natural calamities; 3) To concentrate efforts on preventing and curing wheat diseases; 4) To fulfill all the production tasks assigned by the Shaanxi Provincial People's Government and practically strengthen spring sowing and spring ploughing production; 5) To increase the cotton growing area and speed up tobacco transplanting work; 6) To adopt effective measures to strengthen field management of all spring crops; 7) To guarantee the quality and supply of

strains of hybrid maize; 8) To categorically strengthen leadership over agricultural production and organize all trades and professions to support agricultural production.

Comrade Wang Shuangxi stressed that the people's governments at all levels in Shaanxi must place the work of strengthening spring production high on their agenda and make specific arrangements in this respect. Leaders at all levels in Shaanxi must improve their own work style by going deep to the grass-roots level to help the broad masses of the peasants solve their production and livelihood problems.

Xinjiang Standing Committee Meeting Opens

OW0805174090 Urumqi Xinjiang Television Network in Mandarin 1300 GMT 8 May 90

[Announcer-read video report by station reporter Ilihan Osman; from the "Xinjiang News" program]

[Text] [Video opens with a long shot of a conference room in which approximately 150 people are seated] The 14th meeting of the Seventh Xinjiang Autonomous Regional People's Congress Standing Committee opened in Urumqi on the morning of 8 May.

Chairman Amudun Niyaz and Vice Chairman Li Jiayu of the autonomous regional People's Congress Standing Committee presided over the meeting. [Video shows closeups of Amudun and Li]

The main items on the agenda of the meeting are to study and discuss the CPC Central Committee's decision on strengthening the ties between the party and the masses; to hear the autonomous regional people's government reports on the quelling of the counterrevolutionary armed rebellion in Baren Township in Akto County, on religious affairs, and on progress in implementing the Land Management Law; to deliberate and approve draft regulations governing assemblies, parades, and demonstrations in the autonomous region, a draft decision on the establishment of executive chairmen of the presidiums of township and town people's congresses, and draft provisions on implementing the Forestry Law in the autonomous region; and to make appointments and removal of functionaries. [As the announcer reads the report, video pans the meeting participants]

During the morning session, members of the Standing Committee heard a report by Tomur Dawamat, chairman of the autonomous regional People's Congress, on the quelling of the counterrevolutionary armed rebellion in Baren Township, Akto County. In the report, Tomur Dawamat said: The counterrevolutionary armed rebellion that occurred in Baren Township is an extremely serious incident. The swift crushing of the rebellion means a great victory over and a telling blow at the separatist forces inside and outside China. The victory is of great significance for further safeguarding stability in the autonomous region. We should draw the following lessons from the incident:

1. We should further recognize that the main source of danger affecting and undermining Xinjiang's stability comes from the separatist forces at home and abroad.
2. We should energetically strengthen the construction of grass-roots political organs in rural areas.
3. We should step up the construction of socialist spiritual civilization.
4. We should effectively intensify the supervision over religious activities and the venues for such activities.
5. We should steadfastly trust and rely on the cadres and people of all nationalities.

[As the announcer continues to read the report, video shows closeups of Tomur Dawamat reading from a prepared script, and occasionally pans the audience] The members also listened to a report by (Maimaiti Simayi), deputy secretary general of the autonomous regional people's government, on the work regarding religion.

Vice chairmen of the autonomous regional People's Congress Standing Committee who attended the meeting today included Caodanuofu Zhayier, Mayenur Hasmu, Chen Xifu, Mahsud Deipov, Xiaer Xibieke Sidike, Zhang Shaoyeng, Ma Mingliang, Kuerban Ali, Abudureyimu Litifu, Xu Peng, and Tuerbayier.

Mao Dehua, vice chairman of the autonomous regional People's Congress; Meihemaiti Simayi, vice chairman of the autonomous regional committee of the Chinese People's Political Consultative Conference; and responsible persons of the autonomous regional Higher People's Court and the autonomous regional People's Procuratorate observed the meeting. Officials of some democratic parties and people's organizations in the autonomous region attended the meeting as observers. [As the announcer reads the report, video continues to pan the meeting participants]

Government Not To Participate in Ship Activities

*OW0805164490 Taipei CNA in English
1547 GMT 8 May 90*

[Text] Taipei, May 8 (CNA)—The Republic of China [ROC] Government has not received an application from the "Goddess of Democracy" broadcast ship for taking on supplies at Keelung Port, but if an application is filed, it will be handled according to humanitarianism, international practices, and relevant government regulations, a government spokesman said Tuesday.

Briefing the press, Shaw Yu-ming, director general of the Government Information Office, stressed, however, that the government would not get involved in the ship's broadcast activities "now or in the foreseeable future."

Shaw acknowledged that according to international agreements on radio operations, ships should not engage in unauthorized broadcasts from international waters. He reaffirmed that the ROC Government would abide by international law and agreements to which the nation is a signatory.

Violations of such agreements by ships sailing through international waters would be handled according to international law, but if such unauthorized broadcasts took place in ROC territorial waters, the offenders would be liable to fines of between 30,000 and 400,000 New Taiwan dollars and their broadcasting equipment would be seized.

Shaw said the government would neither encourage nor interfere with the broadcasts of the "Goddess of Democracy" targeted at the Chinese mainland in support of the democracy movement there. He expressed the hope, however, that all parties involved would respect the principle that democratic nations [words indistinct].

President Reaffirms Commitment to Democracy

*OW0805191690 Taipei CNA in English
1501 GMT 8 May 90*

[Text] Taipei, May 8 (CNA)—President Li Teng-hui reaffirmed the Republic of China [ROC] Government's determination to develop democracy and to implement constitutional reforms while receiving a seven-member U.S. Democratic Party delegation headed by Geraldine A. Ferraro, vice presidential nominee of the Democratic Party in 1984, at the presidential office Tuesday.

During the meeting, President Li exchanged views with his U.S. visitors on a wide range of topics including the international situation, the nomination of Defense Minister Hau Pei-sun as the ROC's next premier, the ROC's political reforms and the holding of the national affairs conference.

The national affairs conference would thoroughly discuss the nation's constitutional system so that consensus could be reached for further political reforms, Li said.

Li told the visitors that social stability and harmony are the Taiwan public's greatest demand, particularly the middle class which accounted for 70 percent of the population. Various other reforms [could] only be implemented in stable circumstances, Li said.

As for nominating Gen. Hau as next premier, Li noted that although Hau is a career military man, he is also open-minded and well versed in democratic process. Li said Hau is responsible and a man of action; he believed social order would be further improved once Hau becomes head of the cabinet.

Yuan's Shih Chi-yang on Ties With Mainland

*OW0905031190 Taipei Domestic Service in Mandarin
2300 GMT 25 Apr 90*

[From the "National Hookup" program]

[Text] Shih Chi-yang, vice premier of the Executive Yuan, said the Executive Yuan has not considered letting the private sectors to conduct contacts on their own with the Communist China on a reciprocal basis. He said the Executive Yuan wants to establish by itself, or entrust, or [words indistinct] a go-between organization to handle affairs with Communist China.

The Policy Coordination Committee of the Kuomintang's Central Committee held a party-government coordination meeting in the afternoon of 25 April to coordinate for the second time the draft provisional regulations governing relations between the two sides of the Taiwan Strait. Vice Premier Shih Chi-yang made the above remarks after the coordination meeting. In addition, he pointed out so far he has still not received any response from relevant department of the Communist China to his talk on 24 April on establishing a go-between organization for the two sides of the Taiwan Strait. Shih Chi-yang said on 24 April that if the Communist China let Taipei set up a branch of a go-between organization in the mainland, Taipei will make reciprocal response.

Hong Kong

Appeals Made for Five Detained Marine Policemen

Situation Outlined

HK0905020590 Hong Kong SOUTH CHINA
MORNING POST in English 9 May 90 pp 1, 2

[By Simon Macklin and Jimmy Leung]

[Text] Five local seamen recruited by undercover Marine Police officers in an operation to catch car smugglers are still being held in custody by Chinese authorities despite pleas for their release.

The crew, their lighter and a tugboat used in the operation are believed to be in Shekou, where they were taken on Thursday by armed Chinese public security officers.

The two Marine Police officers on board were allowed to return to Hong Kong after 16 hours of negotiations but the fate of the crewmen, who were unaware of the police operation, is unknown.

The Political Adviser, Mr William Ehrman, is understood to have made a request through local offices of the New China News Agency (NCNA) for their release.

He also asked for the return of the Hong Kong-registered lighter and tug together with the cargo of three allegedly stolen Mercedes-Benz cars.

The request was conveyed to senior NCNA officials, who were asked to draw it to the attention of the local NCNA Director, Mr Zhou Nan.

The Governor, Sir David Wilson, yesterday called for the release to be organised through regular border liaison channels and for Chinese officials to end a "war of words" over the incident.

Staff from Mr Ehrman's office, police, immigration and Customs and Excise personnel meet regularly to resolve cross border problems.

Hong Kong officials say they are putting the emphasis on resolving the incident "as soon as possible".

It is understood mainland officials have agreed to resolve the issue through diplomatic channels but no date has been set for talks.

The five seamen were hired by police in a joint operation organised by the new Territories and Marine Police and intended to smash a growing problem of stolen cars being smuggled out of the territory.

Undercover officers identified a man who had three stolen luxury cars which he wanted to smuggle to the mainland.

It is understood the officers offered to provide the transport and chartered a cargo lighter and crew to carry the cars.

The officers' main concern was to arrest those in Hong Kong involved in the smuggling operation, Hong Kong officials say.

But when police set up an ambush at a rendezvous with the stolen cars dealer at a pier near Castle Peak last Thursday morning, they were met by mainland public security officials.

Six Chinese, at least one of whom was armed and five of whom wore uniforms, were at the pier.

Hong Kong officials say that when the ambush was sprung, the lighter steamed out of Hong Kong waters with the five crew and the two undercover police on board together with a number of armed mainland security officers.

It is understood a Marine Police launch tried to stop the lighter, being towed by the tug, from leaving Hong Kong's territorial waters but the mainland security staff on board refused to stop.

The Chinese officers are said to have pointed their firearms at the marine Police launch and made it clear that they were not prepared to co-operate.

The two undercover policemen on board were taken into custody by the Chinese authorities once the vessel left Hong Kong waters and held in Shekou.

Local officials say Mr Ehrman has made it clear Hong Kong wishes a full investigation of the matter.

Chinese officials have denied any involvement in smuggling.

In public statements earlier this week, China accused Hong Kong of "violating the truth" of the matter and "unfriendly acts".

Commenting on the issue for the first time yesterday, Sir David said yesterday it was important that both sides sat down together to solve the dispute.

"The facts of the case as we know them are as we've stated them, and what now needs to be done is to get on, sort it out through border liaison channels.

"That's the way it should be done. Not through statements which simply raise the temperature, but dealing with the matter as a practical problem," he said after attending an Executive Council meeting.

The Marine Police Commander, Assistant Commissioner John MacDonald, said negotiations with Chinese authorities over the issue were continuing.

A series of photographs showing the incident in detail have been handed to mainland officials but Mr MacDonald said local police would not make these pictures public.

"The photos we took have nothing to do with anybody except ourselves," he said.

Mr MacDonald admitted that his men often had to work in difficult situations but said they accepted this role.

"The work of policemen, wherever they work, is always dangerous. I've talked to the staff association about this and have their full support on whatever we do."

After officiating at the opening of the Marine West Divisional headquarters at Tai Lam Chung, Mr MacDonald acknowledged that the use of powerful speedboats to smuggle goods into China had increased over the past year.

But he said there was no need to increase the speed of the Marine Police launches despite the problems presented by the international border.

"We don't think it's necessary because we have a very substantial fleet which is well up to dealing with the problem so far," he said.

"We have geographical problems and boats travelling at a high rate of knots can very easily get across into the international waters before we could do anything about it."

Mr MacDonald said the problem was being studied at the highest level in Government, the Customs and Excise Department and the police.

The most common goods being smuggled into the mainland are cigarettes and electronic goods.

Governor Urges End to Conflict

HK0905020790 Hong Kong HONGKONG STANDARD in English 9 May 90 p 1

[By Marcal Joanilho and Tammy Tam]

[Text] The Governor, Sir David Wilson, yesterday called for an end to the political row between Hong Kong and China over the abduction of two policemen to Shekou.

China has condemned top Hong Kong Government officials for "distorting the facts" and "misleading the public" over last week's incident.

The policemen were taking part in an anti-car smuggling operation when they were snatched at gunpoint from Hong Kong waters and taken to China. They were freed 14 hours later.

The subsequent charges and counter-charges have strained relations between Hong Kong and Beijing.

Sir David said yesterday: "It is now high time that the marine incident last week is sorted out through the normal border liaison channels.

"The facts of the case as we know them are as we've stated them, and what now needs to be done is to get on and sort it out through border liaison channels.

"That's the way it should be done. Not through statements which simply raise the temperature, but dealing with the matter as a practical problem."

The Government says the policemen were among eight people on two vessels berthed alongside a pier in Castle Peak. The vessels were boarded by uniformed Chinese security officers who remained on board until the boats reached China.

China's XINHUA NEWS AGENCY, however, insists there were no uniformed Chinese officers involved in Hong Kong waters and that the two vessels were intercepted in Chinese waters off Inner Ling Ding Island.

After Sir David's remarks yesterday, a Government spokesman added: "As the Governor has made it clear today, we would like to sort this out as soon as possible through border liaison channels."

Members of the border liaison group are to meet soon to iron out the facts of the issue before starting talks with their Chinese counterparts.

The group includes representatives from the Political Advisor's Office, the Security Branch, police and Customs.

XINHUA yesterday declined to comment officially on the Governor's statement, but one Chinese official told THE HONGKONG STANDARD that the Hong Kong Government had been the first to issue a statement on the incident and XINHUA had merely reacted to it.

The official said China had no intention of making a fuss or raising the temperature.

"We would like to settle the problem, too," he said. "We will not comment on the issue any further. What we wanted to say has been said."

The way XINHUA handled the issue is seen as a sign of the tough line adopted by Beijing's new senior local official.

The Hong Kong branch of XINHUA—China's de facto embassy in the territory—is now headed by former deputy foreign minister Zhou Nan. Mr Zhou led China's Joint Declaration negotiating team in 1984.

Reuters news agency quoted a Western diplomatic source as saying: "It's quite clear that China has decided to take a hard line on what was a minor incident that could have been settled ... with a quite chat."

Hong Kong officials said Chinese security forces had been colluding with smugglers and had been surprised to find the two policemen. Hong Kong is seeking the release of five local residents still being held on the mainland.

New U.S. Attitude on Antidumping Case Welcomed
OW0605112990 Beijing XINHUA in English
0102 GMT 4 May 90

[Text] Hong Kong, May 4 (XINHUA)—A Hong Kong Government official yesterday welcomed the news that the U.S. Department of Commerce had decided to revise some of the preliminary anti-dumping margins on man-made fibre sweaters from Hong Kong.

"The Department of Commerce has taken a fair decision to recalculate some of the figures in the light of representations made by the Hong Kong industry," said Christopher Jackson, an assistant director-general of trade.

Last month, the U.S. was preparing to charge Hong Kong textile manufacturer for purposely cut prices on sweaters exported to the U.S. in order to gain a competitive advantage.

The Hong Kong official explained that certain arithmetical errors were found and rectified.

"The effect is to reduce the dumping margin in respect of prosperity from 12.04 percent to 2.8 percent and the trade weighted average to apply to products from all companies not investigated from 5.9 percent to 2.25 percent.

"Naturally we very much welcome this news," he said, "although there are other aspects of the case which concern us."

In another development, the U.S. authorities have decided that certain kinds of sweaters sold by Hong Kong to the U.S. market may no longer, under U.S. regulations, be labeled "Made in Hong Kong" on or after June 26.

A spokesman for the Hong Kong Trade Department said the department was informed that some silk blend and other vegetable fibre sweaters exported to the U.S. must be labeled "Assembled in Hong Kong, Knit in China," or "Assembled and Finished in Hong Kong, Knit in China."

The spokesman said that this wording would meet Hong Kong requirements.

Leaders To Send Letter, Not Lobby to U.S.
HK0505040490 Hong Kong HONGKONG STANDARD
in English 5 May 90 p 4

[Text] Executive and Legislative Councillors yesterday decided not to send a delegation to the United States to lobby against the American government's possible withdrawal of most favoured nation status for China for fear it would cause a backlash to Hong Kong.

Instead, they agreed to ask Senior Legislative Councillor Allen Lee to write letters to U.S. congressmen, the

American Chamber of Commerce and U.S. business groups in Hong Kong calling on them to make appeals to the U.S. government.

Legislator Miriam Lau said Omelco [Office of Members of Executive and Legislative Councils] members felt that the issue was basically an economic one and they could not justify sending a delegation to the U.S. otherwise it would be seen to politicise the whole issue.

They feared such a high profile approach could backfire on Hong Kong.

Stripping China of its most favoured nation status has been proposed by some U.S. congressmen as a sanction against the Beijing government for cracking down on the pro-democracy movement.

But President Bush has so far seemed unwilling to support further economic sanctions.

Mrs Lau said a hearing would be held on June 2 in the U.S. Congress and that Omelco had little time to lobby against the proposal.

After seeking advice from U.S. trade lobbies legislators decided to adopt a low profile approach.

Police Defend Actions Against Boat People
HK0505043790 Hong Kong SOUTH CHINA
MORNING POST in English 5 May 90 pp 1, 2

[By Fiona MacMahon]

[Text] Police defended their tough tactics after firing 106 canisters of tear-gas to disperse Vietnamese boat people during a search for home-made weapons at Whitehead detention centre yesterday.

Ten boat people were arrested and 180 Vietnamese, labelled as troublemakers, taken away by Correctional Services Department (CSD) officers.

Two policemen were slightly injured in the operation, which uncovered 2,500 weapons, including an imitation firearm.

But the Vietnamese were not told the operation was a weapons search until after the tear-gas had been fired.

It is believed the use of force—1,200 police officers took part—sparked fears among the boat people that some of them might be removed to be forcibly repatriated to Vietnam.

The timing of the operation, 5 am, also resembled the removal of boat people from Chi Ma Wan camp to Phoenix House in October last year. That group was later forcefully repatriated to Vietnam on December 12.

But last night, the chief staff officer of the Police Tactical Unit, Chief Superintendent Mr James Hurst, denied the show of force was overkill.

"We had no intention at all of giving people a hard time," Mr Hurst said.

"We looked for their co-operation. The fact is we didn't get their co-operation in certain sections and as a result we were obliged to use force."

The use of tear-gas was the second in as many days. On Thursday canisters were fired at a group of 50 boat people trying to escape from Whitehead, Hong Kong's largest detention centre.

Mr Hurst said police had met resistance in three sections of the camp.

He said the boat people tried to set up barricades to prevent police from entering the dormitories and officers were attacked with metal bars, knives and stones.

Despite repeated warnings, the Vietnamese refused to co-operate and the tear-gas was fired to disperse them.

About 6,000 were affected by the gas and Mr Hurst admitted that a number of women and children, who had been put in the front line, were still being treated last night.

Order was restored after an hour and the police informed the boat people that they intended to carry out a weapons search.

The police officers and about 400 CSD officers then spent 11 hours searching the 10 sections of the camp. All the boat people, including young children, were frisked.

One witness said: "I've never seen so many police in my life. They're tearing the huts apart."

A police spokesman said seven Vietnamese men and three women were arrested for possession of offensive weapons and dangerous drugs.

The boat people described as troublemakers were taken to Stanley maximum security prison, with the 40 youngsters going to Lei Kwu correctional institution on Hei Ling Chau.

They are likely to be moved to the upper camp of Chi Ma Wan when it opens later this month as a special detention centre for troublemakers.

A CSD spokesman said the Vietnamese had been identified and singled out by Whitehead staff.

Mr Hurst said the police operation had been ordered by the Government.

"The police were asked to move into this camp today in support of the CSD because of the violence and because of the difficulties we have been having here," he said.

He added that they were also searching for explosives and firearms which had been rumoured to be in the detention centre.

But they uncovered only one imitation firearm and no explosives.

Mr Hurst said the police were particularly fearful of any explosives getting into the camp because of the number of gas containers in the area.

Whitehead detention centre is home to 22,800 Vietnamese and the Government intends to add another 3,000 at the end of the month.

CITIC Branch Helps Taiwan Compatriots

*OW0405101490 Beijing XINHUA in English
0058 GMT 4 May 90*

[Text] Hong Kong, May 4 (XINHUA)—The Hong Kong branch of the China International Trust and Investment Corporation (CITIC) started a business consultancy service for Taiwan compatriots here yesterday.

Tang Shubei, deputy director of the Taiwan Affairs Office under the State Council of China, said at the opening ceremony that Taiwan compatriots are welcome to invest in the Chinese mainland, whether in large enterprises or in small ones.

"We are duty bound to protect the legitimate rights of those Taiwan compatriots who come to invest in the mainland," he said.

Tang said the Taiwan compatriots may apply to the authorities in the provinces, municipalities, autonomous regions or special economic zones where they invest for multi-entry-and-exit permits.

Wang Jun, deputy general manager of the CITIC, said the consultancy service is started at the request of Taiwan businessmen. It is aimed at promoting nongovernmental economic and trade contacts between businessmen on both sides of the Taiwan Strait.

The newly-established service will offer consultancy on the mainland's investment policies, laws, and environment, as well as market trends, opportunities for investment, and fund raising.

It will also sponsor economic and trade talks between businessmen from the two sides of the Taiwan Strait.

PRC Vetoes Local Taiwan Agency Plan

*HK0605020490 Hong Kong SOUTH CHINA
SUNDAY MORNING POST in English 6 May 90 p 3*

[By Joyce Nip]

[Text] China will not allow Taiwan to establish a semi-official agency for cultural, economic, visa and trade affairs in Hong Kong, fearing a disguised attempt by Taipei to compete for influence with the New China News Agency.

Sources close to Chinese policymakers said last week that a proposal by Dr Chen Changwen, a consultant to

Taiwan's Executive Yuan, for the Hong Kong agency would be unacceptable unless both Beijing and Taipei were to establish similar bodies on either side of the Taiwan Straits.

The proposal, made by Dr Chen last month on a trip to the territory, was for a non-official body with authority to handle affairs involving citizens of both the mainland and Taiwan, with a status roughly equivalent to the New China News Agency.

Chinese sources said, however, that they would not allow any Taiwanese rivals to the New China News Agency in the territory.

"If we (Beijing) respond enthusiastically to the proposal, they may take the chance to set up a semi-official organisation in Hong Kong," the source said.

Plan Designed To Entice Departing Residents Back

HK0805021990 Hong Kong SOUTH CHINA
MORNING POST in English 8 May 90 pp 1, 3

[By Fanny Wong]

[Text] The Government is planning to set up employment services overseas to entice emigrants and students from the territory to come back in the face of an estimated net outflow of 425,664 residents in the eight years until the end of 1996.

The Secretary for Education and Manpower, Mr Yeung Kai-yin, said yesterday the Government is considering inviting the private sector to jointly launch the recruitment drive in such popular destinations for emigration and study as Canada, the United States, Australia and some European countries.

The idea was welcomed by local business and professional groups.

"What is needed is the provision of an information or advisory service, strategically planted in North America, Europe and Australia, to provide people with necessary information and advice about local working conditions, pay levels, how to get in and how to find places for their children in the right international schools," Mr Yeung said.

"It's becoming abundantly clear that our manufacturing-oriented economy is shifting heavily towards knowledge and technology intensive employment and we need our people back."

According to the manpower survey conducted by Mr Yeung's branch, of the 2.86 million manpower stock required by the beginning of 1997, 29 percent will have to be filled by returning students; 37 percent by existing stock; 28 percent from local graduates and five percent from returning emigrants and new immigrants to Hong Kong.

Mr Yeung said that given the territory's continuing dependence on degree holders from abroad, more active measures will be needed to attract back Hong Kong's overseas students, who outnumber local university students by about two-to-one.

The survey found that between 1989 and 1996, total net outflow of Hong Kong residents as a result of emigration or overseas studies will top 425,664.

During the period, the Government estimates that outflow as a result of overseas studies will reach 118,400 and emigration 427,000.

The total outflow during the period is balanced by an inflow of 79,880 returning students and 39,856 returning emigrants.

Past figures show that about 90 percent of Hong Kong students studying overseas come back, as many countries, including the U.S., Canada and Australia, require graduates to return to their places of origin.

Mr Yeung said he was confident the Government could attract sufficient people to fill the local manpower stock as pay and tax rate in Hong Kong were competitive with those of other countries.

He said one option to entice people back was for the Government to start extending the Labour Department's Higher Education Employment Service to overseas countries or, alternatively, the Government could employ consultancy firms to do it.

He said the options had been initially discussed within the Government and the administration would approach the private sector later.

Although Mr Yeung said the Government had yet to decide what form the services would take, sources said the administration intended to hire private consultancy firms.

Local business and professional groups yesterday welcomed the Government's initiative to entice students and emigrants back.

Director of the Hong Kong General Chamber of Commerce, Mr Ian Christie, said: "I think any serious, practical solution to try to encourage those people with a foreign passport (to come back) is welcomed."

"But I really need to look at the proposal before commenting further."

Mr Christie said at present, he thought it was difficult to see what sort of partnership or involvement the private sector could take part in.

"For instance, I can't see the private sector funding a large recruitment office in Canada," he said.

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